Continental Reinsurance Plc
Consolidated and separate financial statements for the period ended 31 December 2021

Contents **Page**

Corporate information

Directors and advisors

Directors	Capacity	Remarks
Chief Ajibola Ogunshola	Chairman/Non-Executive Director	
Mr. Lawrence N. Nazare (Zimbabwean)	Managing Director/CEO	
Mr. Foluso Laguda	Non-Executive Director	
Mr. Paul Oje Kokoricha	Non-Executive Director	
Mr. Steve Olisa Iwenjora	Non-Executive Director	
Mr. Emmanuel Brule (French)	Non-Executive Director	
Mr. Ian Alvan Tofield, (British)	Independent Non-Executive Director	
Mr. Steve Murphy	Non-Executive Director	Retired August 31, 2021
Mrs. Ahlam Bennani	Non-Executive Director	Retired February 4, 2021
Dr. Olufemi Oyetunji	Managing Director/CEO	Retired March 31, 2021

Company Secretary/Legal Adviser
Patricia Ifewulu

Registered Office
17 Olosa Street
Victoria Island
Lagos, Nigeria

Regional Offices

Lagos Office
17 Olosa Street
Victoria Island
Lagos, Nigeria

Abidjan Office
2eme stage, Imm. Equinoxe, Angle de
la route du Lycee Technique et de la
Rue de la Cannebiere (Carrefour Pisam)
Cocody Danga – BP 1073 Abidjan 01
Abidjan, Cote D'ivoire

Tunis Office
Rue Lac Leman, Imm Regency-Bloc "C"
2eme etage - Bur 2017
1053 Les Berges du Lac
Tunis, Tunisia

Subsidiaries
Kenya
197 Lenana Place (4th floor)
Lenana Road
P.O. Box 76326-00508
Nairobi, Kenya

Botswana
1st floor, Plot 67977, Fairgrounds, Gaborone
P.O. Box 698 ABG,
Selebe
Gaborone, Botswana

Douala Office
Mairie, Douala 1er Bonanjo
P.O. Box 4745
Douala, Cameroon

Bankers
Stanbic IBTC Bank Limited
Zenith Bank Plc
Guaranty Trust Bank Plc
Citi Bank, Nigeria
Ecobank, Douala
NIC Bank, Nairobi
United Bank for Africa Plc, Douala
BGFI Bank, Douala
United Bank for Africa Plc, Abidjan
Societe Ivorienne De Banque, Abidjan

Auditors
PricewaterhouseCoopers
Landmark Towers
5B, Water Corporation Road
Victoria Island
Lagos, Nigeria

Registrars
Pace Registrars Limited
24, Campbell Street
Lagos, Nigeria

Solicitors
Bayo Osipitan & Co
2A, Ireti Street Yaba, Lagos, Nigeria

Directors' report

The Directors of Continental Reinsurance Plc (or “the group” or Continental Re”) present their annual report together with the audited financial statements of the Group for the year ended December 31st, 2021.

1 Legal form

The Company was incorporated as a private limited liability Company on July 24th, 1985 and was converted to a public limited liability Company on March 27th, 2000. It commenced business as a general reinsurer in January 1987 and became a composite reinsurer in January 1990. It is authorized and regulated by the National Insurance Commission (NAICOM).

2 Principal activity

The Company reinsures all classes of insurance business, including Life, Fire, Engineering, Bond, General Accident, Marine, Aviation, Motor, Liability and Energy within and outside Nigeria. Its product mix includes a full range of treaty and facultative reinsurance services.

The Company is a pan-African reinsurance Company operating in more than 50 African countries with head office in Lagos (Nigeria), two regional offices in Abidjan (Cote d' voire), Tunis (Tunisia) and three subsidiaries in Nairobi (Kenya), Gaborone (Botswana), Douala (Cameroon).

3 Results for the year

The results of the Company's three subsidiaries have been consolidated in the financial statements on pages 38 to 92. Below is a summary of the results for the year under review:

	Group	Company
	=N='000	=N='000
Profit before taxation	6,666,790	1,457,298
Income tax expense	(1,217,964)	(123,352)
Profit after taxation	5,448,826	1,333,946

4 Property, plant and equipment

Movements in property, plant and equipment during the year are shown in note 22 on page 50 of the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the account

5 Dividend

The Board recommends no dividend payment from the profit after tax for the year ended 31, December 2021 (2020: Nil).

6 Post balance sheet event

There are no post- balance Sheet events which could have had a material effect on the state of affairs of the group as at December 31, 2021 or on the profit for the year ended on that date that have not been adequately provided for or disclosed.

7 IMPACT OF COVID 19

Area of focus	Impact
Going concern assessment	The real and potential impacts of the COVID-19 pandemic have been specifically considered in business planning and the going concern assessment. These impacts include: • Lower revenue in the Engineering and life segments of the business due to lockdowns and loss of jobs • reduced investment income resulting from extended receivables turnover • Increased claims paid on group life business • lower liquidity resulting from slow collections and increase in claims paid. These factors reduced cash flows and depleted available liquid assets. The board considered the group's approach to mitigating the economic impacts of the pandemic as far as possible. This includes: • Reducing planned capital expenditure in the year and suspension of expansion into other African countries. • Reducing group operating expenses by centralizing some functions. • Extending the credit period to business partners

The directors performed an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. This conclusion has been arrived at after taking into account the following:

i. The board of directors is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the financial statements continued to be prepared on the going concern basis.

8 Changes on the Board

The following changes occurred on the board during the year:
a. Mrs Alham Bennani, a non-executive director retired from the board on February 4, 2021

b. Dr. Olufemi Oyetunji, former managing director/CEO of the company retired from the board on March 31, 2021 upon the completion of his contract. In compliance with the succession policy, the board approved the appointment of Mr. Lawrence Nazare (former Executive director, operations) as the managing director/CEO of the company and he assumed duties on April 1, 2021. The approval of the National Insurance Commission was obtained for the appointment

9 Directors' interests

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the register of Directors' Shareholdings and/or as notified by them for the purpose of Section 301 of the Companies and Allied Matters Act, 2020 are as follows:

Number of 50 kobo Ordinary Shares held as at December 31st

	2021		2020	
Directors	**Direct**	**Indirect**	**Direct**	**Indirect**
Chief Ajibola Ogunshola	Nil	Nil	Nil	Nil
Mr. Lawrence M. Nazare	Nil	Nil	Nil	Nil
Mr. Foluso Laguda	Nil	Nil	Nil	Nil
Mr. Paul O. Kokoricha	1	*	1	*
Mr. Steve O. Iwenjora	Nil	*	Nil	*
Mr. Ian A. Tofield	Nil	*	Nil	*
Mr. Emmanuel Brule	Nil	*	Nil	*

Note

* The indirect interest of Mr. Paul O. Kokoricha, Mr. Steve O. Iwenjora and Mr. Emmanuel Brule Murphy as representatives of C-Re African Investment Ltd, the majority shareholder, was 6,763,953,589 shares.

Directors' interests in contracts

For the purpose of Section 303 of the Companies and Allied Matters Act 2020 none of the directors has notified the Company of any declarable interest in contracts with which the Company was involved as at December 31st, 2021

10 Substantial shareholding

According to the register of members, the following shareholders held more than 5 percent of the issued share capital of the Company as at December 31st, 2021:

	Ordinary Shares of 50 kobo each		Ordinary Shares of 50 kobo each	
	2021		**2020**	
Shareholder	**Number**	**%**	**Number**	**%**
C-Re Holding Ltd	Nil	0%	Nil	0%
Cre African Investment ltd	12,517,204,330	99.99%	12,517,204,330	99.99%

11 Acquisition of own shares

The Company did not purchase any of its own shares during the year (2020: Nil).

12 Ownership structure

	December 31st, 2021			December 31st, 2020		
	No. of Holders	No. of Shares	%	No. of Holders	No. of Shares	%
Foreign	1	12,517,204,330	99.99%	1	12,517,204,330	99.99%
Nigeria	1	1	0.01%	1	1	0.01%
		12,517,204,331			12,517,204,331	

13 Retrocessionaires

Antares Syndicate
ANV Syndicate 1861
Ascot Syndicate
Atrium Syndicate
Barbican Syndicate
Berkley Re
Canopius (Lloyds)
Cathedral Syndicate, London
CCR Algeria
Chaucer (Lloyds)
China Re
CICA Re
Everest Re
Ghana Re
GIC Re, India
Hannover Re
Hiscox
Intern. Gen. Ins. (IGI)
Kenya Re
Milli Re
Novae Syndicate
One Re
PTA Re
QBE Re
Q-Re
Santam Re
Sava Re
SCOR
Sirius Syndicate
Swiss Re
Syndicate 1183
Trust Re
Validus Re
XL Catlin Re, London

14 Principal brokers

The following brokers transacted business with the Company during the year under review:

Local

Ark Reinsurance Brokers
Boff Insurance Brokers
FBN Insurance Brokers
Feybil Insurance Brokers
Glanvill Enthoven Reinsurance Brokers
IBN Insurance Brokers
Jomola Insurance Brokers
Jordan Global Insurance
RTS Global Insurance Brokers
SBG Insurance Brokers
SCIB Insurance Brokers
Standard Insurance Brokers
The United African Insurance Brokers Ltd
YOA Insurance Brokers

Foreign

African Reinsurance Brokers
Afro Asian Reinsurance Brokers
Alsford Page
KEK Reinsurance Ltd
AON Benfield, South Africa
Arab African Insurance - Reinsurance Brokers
Atlas Re
CK Re
Fair Insurance & Reinsurance Brokers
First Reinsurance Ltd
Gras Savoye
Guy Carpenter
JB Boda & Company Private Ltd, Bombay
Alwen Hough Johnson
KM Dastur Brokers
Pioneer Insurance Brokers
Reinsurance Solution
Tysers & Company Ltd
United Insurance Brokers
Willis Re

15 Donations

During the year under review, the Company made donations amounting to NGN2,050,000 to various charitable organizations within Nigeria. The recipients are the following:

	NGN
Hearts of Gold Children Hospice, Lagos	300,000
Pacelli School for the Blind and Partially Sighted	350,000
Little Saints Ophanage, Lagos	300,000
National Handicap Carers Association of Nigeria (NAHCAN)	200,000
Sickle Cell Foundation Nigeria	400,000
SOS Children's Village, Nigeria	300,000
Special Persons Association of Nigeria	200,000

16 Unclaimed dividends

Total unclaimed dividends as at December 31st, 2021 was NGN330,991,273.7 (2020: NGN340,051,438.7). The unclaimed dividends are maintained in a fixed deposit account maintained with Sterling Bank Plc. The account is jointly managed by both the Company and Pace Registrars Ltd.

17 Employment and Employees

Employment Policy

At Continental Reinsurance, we strongly believe that we must win with people and through people in order to win in the market place. This philosophy continues to guide us in the way we work and is reflected in our policies and practices at every stage of our employment cycle. World class best practices are entrenched in our human resource management policies that ensure that the right work environment, professionalism, robust welfare initiatives and opportunity to acquire the right competencies are provided for employees to deliver the best results.

In the light of the above, we strive to remain an equal opportunity employer that is passionate about diversity, inclusivity, mutual respect, encouraging vibrant communication and consultation between employees and the leadership team.

Our core values and Code of Business Principles define what we stand for and the framework in which we do business. The Group complies with all regulatory demands in the employment of employees' and ensure that right talents are considered for appointment to executive and top management positions.

Employment of physically challenged persons

The Company gives fair consideration to the application for employment made by physically challenged persons with due regard to their abilities and aptitude. The Company's policy does not allow discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, efforts will be made to ensure that their employment continues and appropriate training arranged to ensure that they fit into the Company's working environment. The Company did not have any physically challenged persons in its employment during the period under review.

Health, safety at work and welfare of employees

Health and safety regulations are in force within the Company's work environment and employees are provided with necessary training on health and safety related issues. In line with the Company's health and safety policy, employees and a number of their immediate family members enjoy free medical care through retainer agreement with reputable clinics and hospitals and health insurance schemes. Employees are insured against occupational and other hazards.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Company's premises.

The Company provides Group Life, Group Personal Accident and Workmen's Compensation insurance covers for its employees. It also operates contributory pension scheme and social security as well as Retirement Benefit Scheme approved by the Joint TAX Board applicable to each of the office locations within the Group.

Learning and development

The Company continues to place high premium on the development of its manpower and thus invests substantially in training and development. Adequate training and development programs have been put in place for employees and these are pursued through enhanced job scope and responsibilities. Employees are sponsored to attend both local and internationally organized training courses, workshops, seminars and conferences to equip them with the essentials skills required for optimal performance in their day to day activities. These are supported by on-the-job training. The Company has also embraced e-learning, coaching, cross-location work placements, and training attachment in reputable reinsurance companies, reinsurance brokers and retrocessionaires.

Employees involvement and engagement

The Company places great value on employees' contribution to and involvement in decision making and in line with it policy encourages participation of employees in arriving at decisions on corporate issues and on matters affecting their well-being. In this regard, a number of initiatives have been deployed to promote a highly engaged and productive workforce, also inspiring a sense of accountability and ownership. Management and team retreats, informal lunch sessions with the leadership teams are some of the practical ways used to promote employee engagement. Feedback from employees is considered to be essential in driving the Company's business in the desired direction.

Employee remuneration and talent management

The Company ensures that employees' remuneration is performance based and highly competitive. There is a robust talent management framework which guides how the Company attracts, develops, and retains people with the competencies to meet its strategic objectives. This has enabled the Company to build leadership strength in depth and create the flexibility to meet rapidly changing market conditions and competition.

Internal communication/employee relationship

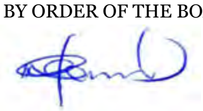
The Company has an open internal communication policy and provides an environment that promotes effective internal communication and sound employee relations. In achieving this, various channels of communication used include face-to-face interaction, use of telecommunication devises, meetings, social media platforms, newsletters, notice boards, intranet, e-mails and other appropriate communication platforms with appropriate feedback between employees and the Company's leadership. This approach enhances employees' involvement in decision making, promotes employee engagement and motivates achievement of the Company's strategic objectives.

18 Auditors

The Auditors, Messrs. PricewaterhouseCoopers, have indicated their willingness to continue in office as Auditors of the Company and in accordance with Section 408(b) of the Company's and Allied Matters Act 2020 , a resolution will be proposed at the Annual General Meeting to authorize the Directors to fix their remuneration.

19 Audit Committee

The members of the Audit Committee elected at the last Annual General Meeting have met and will, in accordance with the provisions of the Companies and Allied Matters Act, 2020, present their report at this Annual General Meeting.
BY ORDER OF THE BOARD



Ifewulu Patricia
Company Secretary
FRC/2014/NBA/00000007697
6, Catholic Mission Street (8th Floor)
Lagos

Dated: February 4, 2022

Statement of corporate responsibilities and certification in relation to the consolidated and separate financial statements for the year ended 31 December 2021

In line with the provisions of section 405 of CAMA 2020, we have reviewed the audited financial statements of the company for the year ended 31 December 2021, and based on our knowledge we confirm as follows:

i. the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made

ii. the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the year ended 31 December 2021

iii. Internal controls have been established and maintained. The company's internal controls has been designed to ensure that material information relating to the company is made known during the period in which the audited financial statement report is being prepared

iv. the effectiveness of the company's internal controls have been evaluated within 90 days prior to the date of its audited financial statements, and are effective as of 31 December 2021.

v. That we have disclosed the following information to the company's auditors;

(a) there are no significant deficiencies in the design or operation of the company's internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and have discussed with the company's auditors any material weaknesses in internal controls

(b) there is no fraud that involves management or other employees who have a significant role in the company's internal control; and

(c) there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

SIGNED ON BEHALF OF THE EXECUTIVE MANAGEMENT BY:

Jane Mberia
Chief Finance Officer
FRC:2020/001/00000021536
4 February 2022

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988
4 February 2022

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements for the year ended 31 December 2021

The Companies and Allied Matters Act and Nigerian Insurance Act require the Directors to prepare financial statements for each financial year that present fairly, in all material respects, the state of financial affairs of the Company and its subsidiaries at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and its subsidiaries:

i. keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and Group and comply with the requirements of the Companies and Allied Matters Act and the Nigerian Insurance Act;
ii. establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
iii. prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standard (IFRS) and the requirements of the Companies and Allied Matters Act, Nigerian Insurance Act, relevant guidelines and circulars issued by the National Insurance Commission (NAICOM) and the Financial Reporting Council of Nigeria.

The directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of the financial performance and cash-flows for the period. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company and Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Chief Ajibola Ogunshola
Chairman
FRC:2017/IODN/00000016052
4 February 2022

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988
4 February 2022

pwc

Independent auditor's report

To the Members of Continental Reinsurance Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Continental Reinsurance Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2021, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, the Insurance Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Continental Reinsurance Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2021;
- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements and statement of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (refer to notes 2.4, 2.8 and 24) The insurance contract liabilities balance as at 31 December 2021 was N 54.6 billion and N 25.4 billion for the group and company respectively. The estimation of insurance contract liabilities (ICL) involves a significant degree of judgement. ICL is based on the best-estimate of outstanding claims liabilities and premium liabilities. The outstanding claims liabilities consists of outstanding reported and the incurred but not reported claims reserves and the premium liabilities consists of unearned premium reserve, deferred acquisition cost and additional unexpired risk reserve. In valuing insurance contract liabilities, the directors employ the service of an external actuarial expert. The expert uses a combination of different assumptions and prescribed methodologies to determine the insurance contract liabilities, some of which involve high levels of complexity. The application of these different assumptions in the actuarial models may result in different measurement of the insurance contract liabilities. This is considered a key audit matter in both the consolidated and separate financial statements.	We obtained the actuarial valuation reports for insurance contract liabilities from the directors and: • Assessed the competence, independence, and objectivity of external actuarial experts. • Understood, evaluated, and tested controls over claims process and performed detailed substantive testing over claims paid, and • Tested the accuracy, completeness and appropriateness of the underlying data used in the actuarial valuations by performing checks between the data recorded in the financial statements and actuarial data used by directors' expert. • Using our internal actuarial experts, we assessed the consistency and reasonableness of the group's methodologies used. We assessed the actuarial assumptions used in the valuation methodologies by comparing to general actuarial practice and the nature of the client's contracts, to determine whether these are appropriate and in line with actual experience. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.

pwc

Key audit matter	How our audit addressed the key audit matter
Valuation of reinsurance receivables (refer to notes 2.4, 2.15 and 15) The reinsurance receivable balance as at 31 December 2021 was N 31.3 billion and N 12.3 billion for the group and company respectively. The impairment of the group's reinsurance receivables requires significant judgement in determining the amount to reflect the credit risk exposure to reinsurance receivables. The directors' impairment model considers the ageing of its reinsurance receivables and payables to cedants with a right of set off. This is considered a key audit matter in both the consolidated and separate financial statements.	We adopted a substantive approach to the audit of the recoverability of the reinsurance receivables. We assessed the reasonableness and appropriateness of the impairment methodology and assumptions used in testing the recoverability of the reinsurance receivables. Specifically, we: • tested the ageing analysis of the net receivable by selecting samples and checking to supporting documentation; • reviewed the reasonableness of the impairment factor applied in the valuation of the group's reinsurance receivables; and • evaluated the existing relationship between the company and selected cedants, checked for existence of business contract on a sample basis and assessed the financial condition of the cedants. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.
Valuation of investment properties (refer to notes 2.4, 2.16 and 20) The investment properties balance as at 31 December 2021 was N 4.9 billion and N 1.8 billion for the group and company respectively. We focused on this balance because significant judgement and estimates are made by management regarding the valnation of investment properties. The directors' employed the use of a property valuation expert to perform these valuations. The valuation technique adopted for each property is determined by taking into consideration the current use of the property. Management considered the rental risk and future rental income in determining the value. This is considered a key audit matter in both the consolidated and separate financial statements.	We assessed the competence, independence and objectivity of the property valuation expert. We obtained the valuation report prepared by the property valuer for all properties and assessed whether the valuation technique adopted for each property was suitable in determining the fair value of the property. We carried out procedures to test whether property-specific information supplied to the property valuation expert (such as rental income and title held on each property) reflected the underlying property records held by the Group. We used property specific information and external data to independently develop a range of estimates and compared to the property valuation expert's estimates. We assessed the reasonableness of the disclosures in the consolidated and separate financial statements.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are Corporate information, Directors Report, Statement of Corporate Responsibilities, Statement of Directors' Responsibilities, Statement of Value Added and Five-Year Financial Summary, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and the Insurance Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

pwc

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the nnderlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Insurance Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit and loss account and other comprehensive income are in agreement with the books of account and returns.

3G/ICAN
1145964

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

9 February 2022

Engagement Partner: Wura Olowofoyeku
FRC/2017/ICAN/00000016809

1 General information

a. The consolidated financial statements of Continental Reinsurance Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 4 February 2022.

Continental Reinsurance Plc (the Company or the parent) was incorporated in 1985 as a professional reinsurance limited liability company under the Companies Act 1968 and obtained license to transact non-life Reinsurance business on 10 December 1986. It commenced business operation in January 1987. The Company subsequently obtained the license to transact life reinsurance business in September 1989 and commenced life reinsurance business in January 1990. In 1999, the Company was converted to a public limited liability company and in May 2007 and had it's shares listed on the Nigerian Stock Exchange same year. The company was delisted from the Nigerian stock exchange in January 2020. In January 2005, the Company opened a business office in Douala Cameroon, Nairobi, Kenya in year 2007 and Abidjan Cote d' Ivoire in March 2012. The Nairobi office was converted to a subsidiary in 2013. In 2014, the Company acquired a subsidiary in Gaborone, Botswana. The Douala Cameroon office was converted to a subsidiary in 2018. The registered office address of the Company is 17 Olosa street, Victoria Island, Lagos, Nigeria.

The Company is regulated by the National Insurance Commission of Nigeria (NAICOM).

b. Principal activity

The Group is licensed to carry out both life and non - life reinsurance business. The Group provides cover in all classes of reinsurance, basically non-life and life treaty and facultative reinsurance, backed by retrocessionaires in the London and African reinsurance markets. The products and services by the Group cuts across accident, energy, fire, marine, liability, individual and group life.

The Group also has an investment portfolio with diversified investment focus aimed at improving its profitability, meet future claim obligations, and limit the Group's exposure to investment risk, preserve shareholders' capital in order to maximize total return on investment.

In addition, the Group also provides top-class specialized training and development programmes to its esteemed clients in various classes of insurance and reinsurance including fire, energy, business interruption, international reinsurance, life and pension, motor and general accident and engineering/bond insurance.

2 Summary of significant accounting policies

2.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

These consolidated and separate financial statements are the financial statements of Continental Reinsurance Plc (“the Company'') and its subsidiaries, Continental Reinsurance Limited, Kenya, Continental Reinsurance Limited, Botswana and Continental Reinsurance Limited, Cameroon (together “the Group”).

2.2.1 Statement of compliance

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations, the Company and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011, Insurance Act 2003 and its interpretations issued by the National Insurance Commission in its Insurance Industry Policy Guidelines is included where appropriate.

The consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements.

2.2.1 Basis of measurements

The consolidated financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for available-for-sale financial assets, financial assets designed at fair value through profit or loss and investment properties.

Functional and presentation currency

The consolidated financial statements are presented in Naira, which is the Group’s functional currency. The figures shown in the consolidated financial statements are stated in thousands.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss on each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Group's consolidated financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below:

2.4 Significant accounting judgements, estimates and assumptions

Judgements
In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments — Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and, therefore, accounts for the contracts as operating leases.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of level 3 financial instruments
Investments in unquoted equity securities that are classified as available for sale financial instrument and measured at fair value in line with the accounting policies as set out in the statement of significant accounting policies

See note 43.3 for sensitivity analysis on level 3 financial instruments

Valuation of Insurance contract liabilities

Life insurance contract liabilities:

The liability for life insurance contracts is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to the profit or loss over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additional impairment write-offs to the profit or loss.

2.4 Significant accounting judgements, estimates and assumptions

The main assumptions used relates to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation, if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

The carrying value at the reporting date of life insurance contract liabilities for the Group is N4,308,077,000 (2020: N3,184,131,000) and Company N2,669,470,000 (2020: N2,002,398,000).

Non-life insurance contract liabilities:

For non-life insurance contract, estimates have to be made for the expected ultimate cost of all future payments attaching to incurred claims at the reporting date. These include incurred but not reported ("IBNR") claims. Due to the nature of reinsurance business, it takes a significant period of time before ultimate costs of claims can be established with certainty and therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of amounts due to contract holders. Actual results may differ resulting in positive or negative change in estimated liabilities.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. These methods primarily use historical claim settlement trends as a base for assessing future claims settlement amounts. Historical claims developments are mainly analysed by underwriting year, by type and line of business and by geographical territory. Large claims are separately addressed using loss adjusters' reports and historical large claims development patterns.

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, attitude to claiming, foreign exchange rates, judicial decisions and operational process.

Similar judgements, estimates and assumptions are employed in the assessment of losses attaching to unearned premium exposures. The methods used are based on time apportionment principles together with significant judgement to assess the adequacy of theses liabilities and the attached uncertainty.

The carrying value at the reporting date of non-life insurance contract liabilities for the Group is N50,261,429,000 (2020: N35,658,126,000) and Company N22,730,632,000 (2020: N15,436,428,000).

Pipeline reinsurance premium

For non-life reinsurance contracts, estimates have to be made for expected future premium from policies already written but not reported at the reporting date. Due to the nature of reinsurance business, in particular treaty business, it takes a significant period of time before all premiums are reported for a given underwriting period. Therefore considerable judgement, experience and knowledge of the business is required by management in the estimation of pipeline premiums due from contract holders. Actual results may differ resulting in positive or negative changes in estimated pipeline premium income.

The pipeline premiums are estimated by using the Chain Ladder technique. This technique primarily uses historical reporting trends as a base for assessing future premium amounts. Historical premiums developments are mainly analysed by underwriting year, by type and line of business and by geographical territory. Estimated premium income information is also used to supplement the results of this technique.

2.4 Significant accounting judgements, estimates and assumptions (continued)

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, foreign exchange rates, industry developments and operational process.

The carrying value at the reporting date of pipeline receivables for the Group is N13,733,327,000 (2020: N9,804,257,000) and Company N5,909,022,000 (2020: N4,042,735,000).

Deferred tax assets and liabilities
Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations by the taxable entity.

The carrying value at the reporting date of net deferred tax liability for the Group is N229,665,000 (2020: N343,329,000) and Company N278,299,000 (2020: 313,458,000). Further details on taxes are disclosed in Note 9 to the financial statements.

Valuation of pension benefit obligation
The cost of defined benefit pension plans and other post-employments benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Details of the key assumptions used in the estimates are contained in Note 27 to the financial statements.

The carrying value at the reporting date of gratuity benefit obligation for the Group is N542,746,000 (2020: N670,301,000) and Company N384,408,000 (2020: 507,614,000).
See note 27.2 on sensitivity analysis on retirement benefit obligation.

Valuation of investment properties
The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2020. A valuation methodology based on discounted cash flow income capitalization model was used.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of the investment properties are further explained in Note 20 to the consolidated financial statements.

The carrying value at the reporting date of investment properties for the Group is N4,925,062,000 (2020: N4,998,800,000) and Company N1,826,200,000 (2020:N2,146,000,000).
See note 20.2 on sensitivity analysis on investment properties

Valuation of reinsurance receivables

Reinsurance receivables are recognised when due. These include amounts due from dedants and brokers. If there is objective evidence that the reinsurance receivable is impaired, the group reduces the carrying amount of the receivables accordingly and recognises the impairment loss through profit or loss. The group assesses that the receivables are impaired, using the incurred loss model. By the incurred loss model, the receivables are aged in various aging category ranging from year 0 to year 3. Impairment is charged/(release) according to the various age bands

The carrying value at the reporting date of reinsurance receivables for the Group is N31,333,426,000 (2020: N24,499,743,000) and Company N12,279,107,000 (2020:N9,996,802,000).

2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period.

Standards and interpretations effective during the reporting period

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2021:

a Covid-19-related Rent Concessions Amendments to IFRS 16 effective 1 April 2021

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

* The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.

If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.

However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.

Covid-19-related rent concessions had no impact on the group and company during the period

b Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 effective January 1, 2021

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.

The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those r transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

The amendments had no impact on the group and company during the period

2.6 Standards and interpretations issued/amended but not yet effected/effective

Other standards issued/amended by the IASB but yet to be effective are outlined below:

IFRS 9 - Financial instruments effective 1 January 2018

IFRS 9 is part of the IASB's project to replace IAS 39. It addresses classification, measurement and impairment of financial assets as well as hedge accounting.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss. It includes the guidance on accounting for and presentation of financial liabilities and derecognition of financial instruments which was previously in IAS 39. Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss be reflected in impairment allowances.

Furthermore, the IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

The company elected to apply the temporary exemption from IFRS 9 and qualifies for the temporary exemption based on the following;

a) its activities are predominantly connected with insurance contracts;

b) the carrying amount of its liabilities arising from insurance contracts and insurance connected liabilities for the group sum up to N60.5billion as at 31 Dec 2021 (31 Dec 2020 : N43.9billion), Company N27.7billion (31 Dec 2020: 20.5billion) which is greater than 80 per cent of the total carrying amount of all its liabilities as at 31 Dec 2021 and 31 Dec 2020 respectively;

c) as at 31 December 2015, which is the reporting date that immediately precedes 1 January 2016, the carrying amount of the group and company liabilities arising from insurance connected contracts was 92% which is greater than 90 per cent of the total carrying amount of all its liabilities as at that date as presented below;

	Group		**Company**	
Liabilities	**Carrying amount**	**Insurance contracts**	**Carrying amount**	**Insurance contracts**
Trade payable	884,117	884,117	847,009	847,008
Income tax payable	722,035	722,035	648,999	648,999
Deferred tax payable	72,908	-	68,777	-
Unearned premium	4,912,295	4,912,295	3,684,628	3,684,628
Outstanding claims	6,169,658	6,169,658	5,468,935	5,468,935
Other liabilities	761,433	-	696,328	-
Other retro liabilities	330,721	330,721	621,801	621,801
Retirement benefits	278,372	-	278,372	-
Total	**14,131,539**	**13,018,826**	**12,314,849**	**11,271,372**
Predominance ratio		**92%**		**92%**

d) The impact assessment of IFRS 9 on the company's financial assets as December 31, 2017, the reporting date that immediately precede January 1, 2018, the effective implementation date of the standard is stated below;

Financial Assets	**IAS 39**	**IFRS 9**	**Impact**
Securities through profit or loss	-	345,067	345,067
Loans and other receivables (amortised cost)	439,081	439,081	-
Available-for-sale investments (FVOCI)	2,090,531	1,494,377	(596,154)
Held to maturity (FVOCI/amortised cost)	6,065,330	6,013,902	(51,428)
Reinsurance receivables	6,184,435	5,910,421	(274,014)
Total	**14,779,377**	**14,202,848**	**(576,529)**

e) The company's activities have remained the same and are predominantly connected with insurance contracts as reflected in (b) above

f) The nature and carrying amounts of the liabilities connected with insurance contracts are disclosed in notes 8, 24 and 25 respectively

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest

The group financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

a) Loans
b) Other assets/receivables
c) Short term placements
d) Premium receivables

The assets listed above are short term in nature and are receivable within 12 months from the end of the reporting period and as such the carrying amount of these financial asset are deemed to be a reasonable approximation of its fair value. The group is yet to assess the impact of premium receivables.

e) Investment securities

	Fair Value	
	2021	2020
Bonds	22,967,912	12,322,456
Treasury Bills	1,284,168	1,421,583

Fair value changes during the year are disclosed in notes 4 and 7 respectively

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest

These are financial assets that meets the definition of held for trading in line with IFRS 9; or that is managed and whose performance is evaluated on a fair value basis. These assets are as follows:

	Fair Value	
	2021	2020
Quoted Equity Securities	593,401	583,652
Unquoted Equity Securities	575,163	607,946

Fair value changes during the year are disclosed in notes 4 and 7 respectively

IFRS 17 - Insurance contracts effective 1 January 2023
IFRS 17 replaces IFRS 4 effective January 1, 2023. It addresses changes in valuation and accounting for insurance contracts.

IFRS 17 aims to set high quality and globally accepted financial reporting standards based on clearly outlined principles according to the International Accounting Standards Board (IASB). It will make global insurance reporting aligned and consistent. It also aims to apply uniform accounting standards for all types of insurance contracts.

IFRS 17 provides new basis for liability measurement and profit recognition.The measurement models are;
i) Building Block Approach (BBA) measures the net inflow between the risk-adjusted present value of expected inflows and outflows at inception. This method is applicable for measurement of long-term and whole life insurance and reinsurance contracts.
ii) Premium Allocation Approach (PAA) This method is applicable for measurement of short term life, group life and general insurance.
iii) Variable fee Approach (VFA) measures participating business where policy holder liabilitiy is linked to underlying items. This method is applicable for measurement of unit-linked contracts, deposit administration contracts

Ammendement to IAS 1 and IAS 8 - Definition of material effective 1 January 2020
The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

i) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

ii) the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The group is yet to assess the impact of the standard.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its asociate or joint venture

The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.

2.7 Foreign currency translation

a Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in thousands. Naira is the Group's presentation and also the parent company's functional currency.

b Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency and these are translated into the functional currency spot rate prevailing at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in profit or loss.

c Group companies

On consolidation, the assets and liabilities of foreign operations are translated into naira at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.8 Insurance contracts

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts defined in IFRS 4 may also transfer financial risk.

Recognition and measurement

The Group's Insurance contracts are classified into three broad categories, depending on the duration of the risk and the type of risk insured, namely Individual Life, Group Life and General insurance.

a. Individual life

These contracts insure mainly against death. The reserve is calculated by determining an Unexpired Premiums Reserve (UPR) and an Outstanding Claims Reserve (OCR). The UPR represents the unexpired portion of premiums received for cover within the year, assuming an allowance for expenses. The OCR represents the claims reserve for claims that were received, but not yet paid, or which may have emerged but have not been received due to delayed reporting.

b. Group life

These contracts insure companies against death of staff. These contracts are short-term in nature and are typically renewed annually. For these contracts, gross premiums are recognised as revenue when due.

General insurance

These contracts provide Fire, Accident, Marine, Liability and Energy insurance. For these contracts, gross premiums are recognised as revenue when due.

2.9.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

2.9.2 Gross premium

Premium is recognized as income when offers from ceding companies are confirmed via credit notes. This comprises premiums generated on contracts entered into during the year as well as premiums and adjustments on contracts entered into in earlier years but confirmed in the current accounting year. Also, premium for the year includes estimates for pipeline or premium not yet advised by the ceding companies for contracts in-force at the end of the year. Pipeline premiums are estimated on the basis of latest available information and historic premium development patterns.

All written premiums are recorded on underwriting year basis and a provision is made for unearned income as Reserve for Unexpired Risk for the portion of premium relating to the current underwriting year that have not expired by the end of the accounting year. Earned Premium Income represents Gross Premium less change in reserve for unearned Premium during the year.

2.9.3 Retrocession

Retrocession premium represents the cost of outward reinsurance for the year. The retrocession programme is on underwriting year basis with appropriate reserves calculated using the same basis as reserve for unexpired risks.

Retrocession recoveries represent that portion of claims paid/payable on risks ceded out in respect of which recoveries are received/ receivable from the retrocessionaire. Retrocession recoveries are disclosed separately as an asset and charged against gross claims incurred to arrive at net claims incurred.

Retrocession assets are assessed annually for impairment and the carrying amount reduced with impairment through profit or loss.

2.9.4 Gross Claims

Gross claims represent estimates of claims and claims handling expenses accrued during the accounting year. Gross claims incurred are made up of gross claims and changes in reserve for outstanding claims (including IBNR) during the year.

2.9.5 Reserve for unexpired risks

The portion of the Non-life gross written premium which has not yet been earned by the end of the accounting year is accounted for as Reserve for Unexpired Risks.

This is calculated using current underwriting year gross written premium for all classes of business assuming premium earning patterns based on historical pattern and business knowledge.

2.9.6 Reserve for outstanding claim

Reserve for outstanding claims represents provisions made to account for estimated cost of all claims and the related claims handling expenses incurred but not paid at the reporting date. This includes the cost of claims incurred but not reported (IBNR) using best available information.

A full provision is made for the estimated cost of all claims notified but not settled at the reporting date, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported (IBNR) until after the reporting date. Similarly, provision is made for “unallocated claims expenses” being the estimated administrative expenses that will be incurred after the reporting date in settling all claims outstanding as at the date, including IBNR. Differences between the provision for outstanding claims at a reporting date and the subsequent settlement are included in profit or loss of the following year.

Based on the best available information, this reserve is calculated using standard actuarial methods and historical claims experience.

2.9.7 Liability adequacy test

Liabilities from insurance policies are tested by certified professional actuary at each reporting date for adequacy of the insurance liabilities recognised in the financial statements. During this process, up-to-date estimates of current valuation parameters are examined, taking into account all future cash flows associated with the insurance policies, to determine whether the recognised liabilities are adequate. If these tests determine that the carrying amount of the insurance liabilities is negative, taking into account capitalised acquisition costs and/or capitalised policy portfolio values, the entire shortfall is immediately recognised in profit or loss.

2.9.8 Actuarial valuation of life insurance contract liabilities

Actuarial valuation of life insurance contract liabilities is carried out annually by certified professional actuary for the purpose of determining the surplus or deficit at the end of the year. All surpluses or deficits arising therefrom are charged to profit or loss.

2.9.9 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the writing of reinsurance contracts. Deferred acquisition costs (DAC) comprise commissions and other variable costs directly connected with acquisition or renewal of reinsurance contracts.

Deferred acquisition costs represent a proportion of commission and other acquisition costs, which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. DAC is amortised over the premium payment period in proportion to the premium revenue recognised.

Commissions receivable on outwards retrocession contracts are deferred and amortised on a straight line basis over the term of the expected premiums payable.

2.10 Underwriting expenses

Underwriting expenses comprises acquisition, maintenance and management expenses. Acquisition and maintenance expenses relate to cost incurred directly in acquisition of businesses.

2.10.1 Acquisition expenses

Acquisition expenses are those costs incurred in obtaining and renewing insurance contracts. These include commissions paid and policy expenses.

2.10.2 Maintenance expenses

Maintenance expenses are those costs incurred in servicing existing policies/contracts and these include brokerage fees and charges.

2.10.3 Management and administration expenses

Management and administration expenses are expenses other than claims, acquisition and maintenance expenses. These include salaries and emoluments, other staff costs, depreciation and amortisation, professional fees, investment expenses and other non-operating costs.

Management expenses are those expenses that relate to underwriting business which are apportioned and charged thereto. These include salaries and emoluments of underwriting staff.

Administration expenses are those expenses that cannot be directly attributable to underwriting business and charged to the profit or loss in the accounting period in which they are incurred. These include professional fees, investment expenses, other non-operating costs, depreciation and amortisation.

2.11 Investment income

Investment income comprises interest earned on short-term deposits, rental income, dividend and income earned on trading of securities. Investment income is accounted for on an accrual basis.

2.11.1 Interest income

Interest income and expense for all interest-bearing financial instruments are recognised within ‘securities discount and similar income’ and ‘securities discount and similar expense’ in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.11.2 Other income

Other income is recognised in profit or loss as the service is provided or when the entity's right to receive payment is established. Other income consist primarily of dividend income, gain on assets disposal, rental income, income from technical and management services, interest on staff loan and other miscellaneous income.

2.11.3 Foreign currency gains and losses

Realised gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

2.12 Cash and cash equivalents

Cash and cash equivalents are balances that are held for the primary purpose of meeting short-term cash commitments. Hence this includes cash in hand and cash equivalents that are readily convertible to known amount of cash are subject to insignificant risk of changes in value and whose original maturity is three months or less.

Cash and cash equivalents for the purpose of cash flow includes cash-on-hand, deposit held at call with banks and other short-term highly liquid investments which originally matures in three months or less.

2.13 Financial instruments

In accordance with IAS 39, all financial assets and liabilities – which include derivative financial instruments – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.13.1 Initial recognition and measurement

Financial instruments are recognised initally when the company becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, ot their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.
Financial instruments are measured initially at fair value, except for equity instruments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

2.13.2 Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

• The rights to receive cash flows from the asset have expired;
• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) the Group has transferred substantially all the risks and rewards of the asset, or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.13.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13.4 Financial Assets

Classification and subsequent measurement

For the purposes of measuring a financial asset after initial recognition, the Group classifies financial assets into the following IAS 39 categories: (a) financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

a Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

The Group had no assets classified as held-for-trading at the end of the year.

The Group designates certain financial assets upon initial recognition at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when any of the following conditions are met:

• the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or

• the financial assets are part of a portfolio of financial instruments which is risk managed and reported to senior management on a fair value basis; or

• the financial assets consists of debt host and an embedded derivative that must be separated.

Financial assets at fair value through profit or loss

The fair value option is applied to the externally managed portfolios that are part of a portfolio. The performance of the managed fund is evaluated on a fair value basis in accordance with an investment strategy and information on this is provided to the key management personnel.

Financial assets for which the fair value option is applied are recognised in the statement of financial position as ‘Financial assets designated at fair value’. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in ‘Net gains on financial instruments designated at fair value through profit or loss’.

b Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

i) those that the Group intends to sell immediately or in the short-term, which are classified as held-for-trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
ii) those that the Group upon initial recognition designates as available-for-sale; or
iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the statement of financial position as loans and receivables. Receivables arising from insurance contracts are also classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

c Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in profit or loss and reported as 'Interest and similar income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in profit or loss as 'impairment of financial assets'. Held-to-maturity investments include sovereign, sub-national and corporate bonds.

d Available-for-sale financial assets

Available-for-sale (AFS) investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the other comprehensive income is recognised in profit or loss. However, interest is calculated using the effective interest rate method, and foreign currency gains and losses on monetary assets classified as available-for-sale are recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss in 'Dividend income' when the Group's right to receive payment is established. AFS financial assets includes debt and equity (quoted and unquoted) instruments.

The carrying value at the reporting date of available for sale financial instruments for the Group is N1,189,153,000 (2020:N1,1227,381,000) and Company N1,168,563,000 (2020:N1,191,598,000).

e Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are significant individually, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

e Impairment of financial assets (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Group's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale financial assets
For available-for-sale financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

2.13.5 Financial liabilities

Classification and subsequent measurement

After initial recognition, the subsequent measurement of financial liabilities depends on their classifications as follows:

a Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held-for-trading, and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held-for-trading, unless designated as an effective hedging instrument.

Gains and losses arising from changes in fair value of financial liabilities classified held-for-trading are included in profit or loss and are reported as 'Net gains/(losses) on financial instruments classified as held-for-trading'. Interest expenses on financial liabilities held-for-trading are included in 'Net interest income'.

The Group did not have any financial liabilities that meet the classification criteria at fair value through profit or loss and did not designate any financial liabilities as at fair value through profit or loss.

b Other liabilities measured at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are subsequently measured at amortised cost.

2.13.6 Determination of fair value

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability or
• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group.

The fair value of an asset or a liability is measured using the assumption that market participant would use when pricing the asset or liability, assuming that market participant's act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

2.13.6 Determination of fair value (continued)

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

2.14 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there have separately identifiable cash inflows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably.

Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the nature of the impaired asset.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2.15 Reinsurance receivables

Reinsurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, reinsurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of reinsurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss. The amount of the allowance is set up in relation to the time a receivable has been due and financial condition of the debtor, and can be as high as the outstanding net balance.

Reinsurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.13.2, have been met.

2.16 Investment properties

Property held for long-term rental yields and/or capital appreciation that is not occupied by the Group is classified as investment property. Investment property comprises of land and buildings.

Investment property is measured initially at its cost, including transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs.

Investment property is subsequently measured at fair value. The fair value is determined annually by independent valuation experts on the highest and best-use basis. The fair value of investment properties have been determined using the income approach as this reflects the best use of the assets.

Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss as "Fair value gains/loss on investment properties" in the year in which they arise.

Property located on land that is held under an operating lease is classified as investment property as long as it is held for long-term rental yields. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in other comprehensive income as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses together with exchange gain or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

2.17 Property, plant and equipment

An asset is recognised when it is probable that economic benefits associated with the item will flow to the Group and the cost of the item can be reliable measured.

All property, plant and equipment items are initially recorded at cost. They are subsequently stated at historical cost less accumulated depreciation and impairment losses with the exception of freehold land (included in as part of freehold property) which is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

All repairs and maintenance cost are charged to other operating expenses in the financial period in which they occur.

Depreciation is calculated on assets using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. The useful lives for the purpose are:

Motor vehicles	4 years
Furniture and Fittings	8 years
Computer Equipments	3 years
Office Partitioning	8 years
Building	50 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. No property, plant and equipment were impaired as at 31 December 2021 (2020: nil).

Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is recognized in other income in the profit or loss in the year the asset is derecognized.

2.18 Leases
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as lessor
Leases in which the Group does not transfer substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Intangible assets
Intangible assets comprise computer software licenses, which are with finite lives, are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

The Group chooses to use the cost model for the measurement after recognition.

Amortisation is calculated on a straight line basis over the useful lives as follows:
Computer software: 3 years

2.20 Reinsurance creditors
Reinsurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received given less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Reinsurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

2.21 Income tax

a Current income tax
Income tax payable/(receivable) is calculated on the basis of provision of the income tax act (CITA 1979 as amended) and is recognised as an expense/(income) for the period except to the extent that current tax related to items that are charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Where the Group has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid.

Where tax losses can be relieved only by carry-forward against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the statement of financial position.

The Group does not offset income tax liabilities and current income tax assets.

b Deferred income tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

b Deferred income tax (continued)

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and liabilities, provisions for pensions and other post-retirement benefits and carry-forwards and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The tax effects of carry-forwards of unused losses, unused tax credits and other deferred tax assets are recognised when it is probable that future taxable profit will be available against which these losses and other temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets for deductible temporary differences arising from investments in subsidiaries are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilized.

Liabilities arising from temporary differences associated with investments in subsidiaries, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax related to fair value re-measurement of equity instruments, which are recognised in other comprehensive income, is also recognised in other comprehensive income and subsequently in the consolidated statement of profit or loss and other comprehensive income together with the deferred gain or loss.

Deferred tax assets and deferred tax liabilities can only be offset in the statement of financial position if the entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except: When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable? When receivables and payables are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 Employment benefits

Defined contributory scheme

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

In line with the Pension Reform Act 2014, the Group operates a defined contribution scheme; employees are entitled to join the scheme on confirmation of their employment. The employee and the Group contribute 8% and 10% of the employee's total emoluments (basic, housing and transport allowances) respectively. The Group's contribution each year is charged against income and is included in staff cost. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Defined benefit staff gratuity scheme

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Re-measurements arising from actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in periods in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Group has a Gratuity Scheme for its employees managed by Trustees. The scheme is non- contributory and employees qualify for benefits after five years service. Provision for gratuity is made when it is determined that there is a shortfall in the assets funding liabilities.

Past service costs are recognised in profit or loss on the earlier of:
• The date of the plan amendment or curtailment, and
• The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales 'administration expenses' and 'selling and distribution expenses' in consolidated statement of profit or loss (by function):

• Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

• Net interest expense or income.

2.23 Provisions

Provisions are liabilities that are uncertain in amount and timing.

Provision are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations

2.24 Equity

Ordinary share capital

The Company has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity, net of tax.

Dividends on ordinary share capital

Proposed dividends are recognised as a liability in the period in which they are declared and approved by the Company's shareholders at the Annual General Meeting.

Dividends for the year that are declared after the reporting date are dealt with as event after reporting date.

Dividends proposed but not yet declared are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

2.25 Contingency reserves

Contingency reserves are done in accordance with the provisions of the Insurance Act, CAP II7 LFN 2004:

a. For general business the contingency reserve is credited with the higher of an amount not less than 3% of the total premium or 20% of the net profits until the reserves reaches the greater of the minimum paid up capital or 50% of net premium.

b. For life business the contingency reserve is credited with the higher of an amount equal to 1% of the gross premium or 10% of the profits.

2.26 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

2.27 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision -maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group's executive as its chief operating decision maker.

Continental Reinsurance Plc
Consolidated and separate statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Notes	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
		=N='000	=N='000	=N='000	=N='000
Gross premium written		*70,385,076*	*53,636,916*	*34,925,988*	*27,725,559*
Insurance premium revenue	1.1	64,171,132	52,281,087	30,622,181	27,410,614
Insurance premium ceded to retrocessionaires	1.2	(14,408,031)	(13,289,199)	(4,627,346)	(5,658,841)
Net insurance premium revenue		49,763,101	38,991,888	25,994,835	21,751,773
Commission earned under retrocession arrangements	1.3	3,733,785	3,286,710	974,191	1,106,070
Underwriting income		53,496,886	42,278,598	26,969,026	22,857,843
Insurance Benefits					
Insurance claims and loss adjustment expenses	2.1	32,044,591	26,431,539	18,840,626	15,289,330
Insurance claims and loss adjustment expenses recoverable from retrocessionaire	2.1	(5,779,740)	(5,979,893)	(3,152,062)	(2,612,944)
Net insurance benefits and claims		26,264,851	20,451,647	15,688,564	12,676,386
Underwriting expenses	2.2	23,203,606	19,087,894	10,968,774	10,174,355
Insurance benefits and underwriting expenses		49,468,457	39,539,540	26,657,338	22,850,741
Underwriting profit		4,028,429	2,739,058	311,688	7,102
Interest income	3	2,507,382	1,980,857	1,276,381	900,594
Fair value gain on investment properties	4	127,392	394,146	11,600	27,200
Other income	5	1,062,299	701,134	164,651	1,599,693
Foreign exchange gain	5.1	1,142,574	789,280	914,585	417,327
Administrative expenses	6.2	(2,023,022)	(1,211,079)	(1,301,873)	(974,306)
Impairment charge (release) during the year	6.3	(178,264)	(566,380)	80,266	(425,532)
Profit before income tax		6,666,790	4,827,015	1,457,298	1,552,078
Income tax	8	(1,217,964)	(1,399,756)	(123,352)	(380,213)
Profit for the year		**5,448,826**	**3,427,259**	**1,333,946**	**1,171,865**
Attributable to:					
Equity holders of the Parent		**3,804,307**	**1,848,563**	**1,333,946**	**1,171,865**
Non controlling interest		**1,644,519**	**47,494**	**-**	**-**
Other comprehensive income					
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:					
Remeasurement gains/(loss) on available for sale financial assets available for sale financial assets	7	51,099	(119,163)	51,510	(118,596)
Exchange difference on translation of foreign operation		450,611	784,944	-	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of post employment benefits obligations	27.2	(165,469)	(502,022)	(117,196)	(452,023)
Income tax relating to component of other comprehensive income	9.1	(41,912)	(12,061)	35,159	114,053
Other comprehensive (loss)/income for the year, net of tax		**294,329**	**151,697**	**(30,527)**	**(456,566)**
Total comprehensive income for the year		5,743,155	3,578,957	1,303,419	715,299
Attributable to:					
Equity holders of the parent		**4,098,636**	**2,354,178**	**1,303,419**	**715,299**
Non controlling interest		1,644,519	1,224,779	-	-
		5,743,155	**3,578,957**	**1,303,419**	**715,299**
Earnings per share basic and diluted (kobo)	10	**30**	**18**	**11**	**9**

See accompanying notes to the consolidated financial statements.

Continental Reinsurance Plc

Consolidated and separate statement of financial position
as at 31 December 2021

	Notes	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Assets					
Cash and cash equivalents	11	16,239,808	19,015,116	9,466,791	11,474,010
Financial assets					
-Financial asset designated as fair value					
-Loans and other receivables	13	264,732	315,892	175,325	178,573
-Available-for-sale investments	14.1	1,189,153	1,227,381	1,168,563	1,191,598
-Held to maturity investments	14.2	24,231,490	13,744,039	11,235,664	5,564,847
Reinsurance receivables	15	31,333,426	24,499,743	12,279,107	9,996,802
Retrocession assets	16	16,046,933	9,513,117	6,261,679	4,123,793
Deferred acquisition costs	17	7,036,111	5,393,915	3,548,781	2,388,974
Other assets	18	389,003	758,749	2,929,146	3,232,081
Right of use Asset	18b	156,903	134,645	230	5,820
Investment in subsidiaries	19	-	-	6,123,109	6,123,109
Investment properties	20	4,925,062	4,998,800	1,826,200	2,146,000
Intangible assets	21	121,470	131,899	121,470	131,891
Property, plant and equipment	22	2,874,626	3,022,526	1,752,803	1,792,256
Statutory deposits	23	1,000,000	1,000,000	1,000,000	1,000,000
Total assets		**105,808,717**	**83,755,822**	**57,888,868**	**49,349,754**
Liabilities					
Insurance contract liabilities	24	54,569,505	38,842,258	25,400,102	17,438,827
Reinsurance creditors	25	4,561,180	4,218,493	1,795,850	2,406,354
Other liabilities	26	1,323,252	1,232,860	1,605,133	1,515,782
Lease liability	26b	202,580	160,899	22,771	13,367
Retirement benefit obligations	27	542,746	670,301	384,408	507,614
Current income tax payable	8	1,317,178	800,776	536,867	601,185
Deferred tax liabilities	9	62,214	343,329	287,149	313,458
Total liabilities		**62,578,655**	**46,268,916**	**30,032,280**	**22,796,587**
Equity					
Share capital	28	6,258,602	6,258,602	6,258,602	6,258,602
Share premium	29	8,204,371	8,204,371	8,204,371	8,204,371
Contingency reserve	30	8,269,316	7,274,065	7,508,549	6,551,407
Retained earnings	31	8,918,338	6,304,153	5,543,726	5,248,959
Available-for-sale reserve	32.1	335,718	284,473	341,340	289,828
Foreign currency translation reserve	32.2	2,576,824	2,245,274	-	-
Equity attributable equity holders of the parent		**34,563,169**	**30,570,938**	**27,856,588**	**26,553,167**
Non-controlling interest	33	8,666,893	6,915,968	-	-
Total equity		**43,230,062**	**37,486,906**	**27,856,588**	**26,553,167**
Total liabilities and equity		**105,808,717**	**83,755,822**	**57,888,868**	**49,349,754**

Chief Ajibola Ogunshola
Chairman
FRC:2017/IODN/00000016052

Mr. Lawrence Nazare
Managing Director/CEO
FRC/2013/IODN/00000000988

Jane Mberia
Chief Finance Officer
FRC:2020/001/00000021536

See accompanying notes to the consolidated financial statements.

The Financial Statements were approved by the Board on February 4, 2022

Continental Reinsurance Plc

Consolidated statement of changes in equity
For the year ended 31 December 2021

		Attributable to the equity holders of the parent							
Group	**Notes**	**Share capital**	**Share premium**	**Contingency reserve**	**Retained earnings**	**Available-for-sale reserve**	**Foreign currency translation reserve**	**Non controlling interest**	**Total equity**
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2021		6,258,602	8,204,371	7,274,065	6,304,153	284,473	2,245,274	6,915,968	37,486,906
Profit/(loss) for the period		-	-	-	3,804,307	-	-	1,644,519	5,448,826
Exchange difference on foreign currency translation	32.2						331,550	119,061	450,611
Other comprehensive income;									-
Employment benefits obligations (net of tax)					(194,871)			(12,510)	(207,381)
Available for sale financial assets		-	-	-	-	51,243	-	(144)	51,098
		-	-	-	3,609,436	51,243	331,550	1,750,926	5,743,153
Transfer of contingency reserve		-	-	995,251	(995,251)	-	-	-	-
		-	-	995,251	(995,251)	-	-	-	-
At 31 December 2021		6,258,602	8,204,371	8,269,316	8,918,338	335,718	2,576,824	8,666,893	43,230,061
As at 1 January 2020		5,186,372	3,915,451	6,264,958	5,586,910	403,437	1,832,347	6,999,394	30,188,869
Profit for the year		-	-	-	2,202,480	-	-	1,224,779	3,427,259
Exchange difference on foreign currency translation							412,927	372,017	784,944
Other comprehensive income;									-
Employment benefits obligations (net of tax)					(476,131)			(37,952)	(514,083)
Available for sale financial assets		-	-	-		(118,965)	-	(198)	(119,163)
		-	-	-	1,726,349	(118,965)	412,927	1,558,645	3,578,957
Transactions with owners									
Transfer of contingency reserve		-	-	1,009,106	(1,009,106)	-	-	-	-
Capital contribution		1,072,230	4,288,920					(1,642,072)	3,719,079
		1,072,230	4,288,920	1,009,106	(1,009,106)	-	-	(1,642,072)	3,719,079
At 31 December 2020		6,258,602	8,204,371	7,274,065	6,304,153	284,473	2,245,274	6,915,968	37,486,906

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

Continental Reinsurance Plc
Separate statement of changes in equity
For the year ended 31 December 2021

		Attributable to the equity holders of the parent					
Company	**Notes**	**Share capital**	**Share premium**	**Contingency reserve**	**Retained earnings**	**Available-for-sale reserve**	**Total equity**
		=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
As at 1 January 2021		6,258,602	8,204,371	6,551,407	5,248,959	289,828	26,553,167
Capital injection during the year		-	-				-
Profit for the period		-	-	-	1,333,946	-	1,333,946
Other comprehensive income;							
Employment benefits obligations (net of tax)					(82,037)		(82,037)
Available for sale financial assets		-	-	-		51,510	51,511
		-	-	-	1,251,909	51,510	1,303,420
Transfer of contingency reserve		-	-	957,142	(957,142)	-	-
		-	-	957,142	(957,142)	-	-
At 31 December 2021		6,258,602	8,204,371	7,508,549	5,543,726	341,340	27,856,587
As at 1 January 2020		5,186,372	3,915,451	5,796,453	5,098,171	408,423	20,404,871
Capital injection during the year		1,072,230	4,288,920				5,361,150
Profit for the year		-	-	-	1,171,867	-	1,171,867
Other comprehensive income;							-
Employment benefits obligations (net of tax)					(266,125)		(266,125)
Available for sale financial assets		-	-	-		(118,596)	(118,596)
		1,072,230	4,288,920	-	905,742	(118,596)	6,148,297
Transfer of contingency reserve		-	-	754,954	(754,954)	-	-
		-	-	754,954	(754,954)	-	-
At 31 December 2020		6,258,602	8,204,371	6,551,407	5,248,959	289,828	26,553,167

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

Continental Reinsurance Plc

Consolidated and separate statement of cash flows
For the year ended 31 December 2021

	Notes	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Cash flows from operating activities					
Premium received from policy holders		59,301,336	45,427,399	30,251,720	24,254,141
Retrocession receipts in respect of claims and commission		5,902,176	7,607,340	4,617,793	3,792,004
Acquisition costs paid		(17,218,171)	(12,594,038)	(8,324,020)	(5,985,430)
Retrocession premium paid		(15,503,308)	(13,519,443)	(5,722,622)	(5,903,077)
Cash paid to and on behalf of employees		(2,808,253)	(2,395,731)	(1,245,482)	(1,179,578)
Other operating cash payment and receipts		(1,893,685)	(1,632,593)	(1,574,774)	(632,657)
Claims paid		(23,954,977)	(20,604,130)	(15,183,158)	(12,357,294)
Cash on intercompany portfolio transfer				-	(649,897)
Income taxes paid	8	(692,712)	(1,320,000)	(178,820)	(259,936)
Net cash generated by operating activities	**34**	3,132,405	968,802	2,640,637	1,078,276
Cash flows from investing activities					
Purchase of property, plant and equipment	22	(251,421)	(1,160,717)	(160,415)	(1,057,700)
Proceed from disposal of investment property		403,000	260,500	403,000	260,500
Purchase of intangible assets	22	(147,256)	(7,324)	(147,256)	(7,324)
Proceeds from disposal of property, plant and equipment		33,033	3,492	28,719	3,492
Purchase of investment securities		(11,761,247)	(6,950,250)	(5,759,202)	(4,612,813)
Proceeds on redemption /sales of investments		4,237,928	5,932,755	622,899	3,556,802
Interest received		2,806,909	2,095,390	1,286,414	787,286
Dividend received		32,380	102,543	32,380	1,008,721
Investment in subsidary		0	-	0	(906,178)
Net cash used in investing activities		(4,646,675)	276,390	(3,693,460)	(967,212)
Cash flows from financing activities					
Dividends paid to equity holders parent	26.1	-	-	-	-
Capital injection/(refund) during the year		-	3,572,283	-	5,361,150
Net cash used in financing activities		-	3,572,283	-	5,361,150
Net increase in cash and cash equivalents		(1,514,270)	4,817,475	(1,052,823)	5,472,214
Cash and cash equivalents at beginning of year		19,015,115	14,399,238	11,474,009	6,271,484
Effect of exchange rate changes on cash and cash equivalents		(1,205,007)	(201,597)	(898,366)	(269,688)
Cash and cash equivalents at end of year	**35**	16,295,837	19,015,115	9,522,820	11,474,009

See accompanying summary of significant accounting policies and notes to the consolidated financial statements which form an integral part of these financial statements.

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
1	**Revenue**				
1.1	**Insurance premium revenue**				
	Premium revenue arising from insurance contracts issued				
	Life insurance contracts				
	– Gross Premium	5,648,442	4,690,027	4,531,862	3,840,651
	– Change in life unearned premium (Note 24.3a)	(813,589)	69,282	(675,065)	51,465
	Non life insurance contracts				
	– Gross Premium	64,736,634	48,946,889	30,394,126	23,884,908
	– Change in unearned premium provision (note 24.1)	(5,400,354)	(1,425,112)	(3,628,742)	(366,410)
	Total Premium revenue arising from insurance contracts issued	64,171,132	52,281,087	30,622,181	27,410,614
1.2	**Insurance premium ceded to retrocessionaires**				
	Premium revenue ceded to retrocessionaires on insurance contracts issued				
	Life insurance contracts	561,833	892,285	459,423	499,719
	Non life insurance contracts	14,941,475	12,627,156	5,263,199	5,403,358
	Gross premium ceded to retrocessionaires	15,503,308	13,519,442	5,722,622	5,903,077
	Change in retrocessionaire share of unearned premium reserve	(1,095,279)	(230,243)	(1,095,276)	(244,236)
	Cost of Premium revenue ceded to retrocessionaires on insurance contracts issued	14,408,031	13,289,199	4,627,346	5,658,841
	Net insurance premium revenue	**49,763,101**	**38,991,888**	**25,994,834**	**21,751,773**
1.3	**Commission earned under retrocession arrangements**				
	Commission received on premium ceded to retrocessionaires-Life	220,775	330,746	174,789	158,299
	Commission received on premium ceded to retrocessionaires-Non Life	3,513,010	2,955,964	799,402	947,771
		3,733,785	**3,286,710**	**974,191**	**1,106,070**
2	**Insurance benefits and underwriting expenses**				
2.1	**Insurance claims and loss adjustment expenses**				
	Life insurance contracts (note 24.3b)	2,912,686	2,345,890	1,496,877	2,025,585
	Non life insurance contracts (note 24.2)	29,131,904	24,085,649	17,343,749	13,263,745
	Total cost of policyholder benefits	32,044,590	26,431,539	18,840,626	15,289,330
	Insurance claims and loss adjustment expenses recoverable from retrocessionaire	(5,779,739)	(5,979,893)	(3,152,062)	(2,612,944)
	Net insurance benefits and claims	**26,264,851**	**20,451,647**	**15,688,564**	**12,676,386**
2.2	**Underwriting expenses**				
	Amortized acquisition cost for the year (Note 17)	15,575,975	12,774,979	7,164,213	6,745,164
	Costs incurred for the maintenance of insurance contracts	2,286,405	1,620,198	895,499	718,600
	Management expenses (See Note 6.1)	5,341,227	4,692,717	2,909,062	2,710,591
	Total underwriting expenses	23,203,606	19,087,894	10,968,774	10,174,355
	Total insurance benefits and underwriting expenses	**49,468,457**	**39,539,540**	**26,657,338**	**22,850,741**
3	**Interest income**				
	Cash and bank balances interest income	998,236	779,038	728,752	488,564
	Held-to-maturity and loans and receivables interest income	1,485,869	1,086,112	524,353	296,322
	Statutory deposits interest income	23,276	115,708	23,276	115,708
	Interest income	**2,507,382**	**1,980,857**	**1,276,381**	**900,594**
4	**Net fair value gains on assets at fair value through profit or loss**				
	Net fair value gain/(loss) on financial assets designated at fair value through profit or loss	-	-	-	-
	Fair value gain on investment properties	127,392	394,146	11,600	27,200
	Total	**127,392**	**394,146**	**11,600**	**27,200**

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
5	**Other income**				
	Available-for-sale:				
	– Dividends	32,380	102,543	32,380	1,008,721
	– Gain on disposal of available-for-sale securities	2,546	269,381	2,546	269,381
	Gain/(loss) on disposal of property, plant and equipment	(17,065)	3,712	(20,355)	3,492
	Gain/(loss) on disposal of investment property	48,580	-	48,580	(215,870)
	Income on investment properties (Note 20.1)	127,864	105,772	49,333	13,125
	Income from management and technical services	-	-	-	363,292
	Interest on staff loan	7,791	1,305	7,791	1,305
	Others (Note 5b)	860,203	218,419	44,376	156,247
		1,062,299	701,134	164,651	1,599,693

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
5a	**Breakdown of others**				
	Reversal of impairment (note 13.1)	-	-	-	-
	Interest on premium/loss reserve	15,207	18,935	462	190
	Recoveries from prior year written-off from receivables and payables	796,525	112,495	19,775	78,166
	Write back from prior year accruals	-	60,197	-	60,197
	Other sundry receipts	48,471	26,791	24,138	17,693
		860,203	218,419	44,376	156,247
5b	**Foreign exchange gain**				
	Net forex gain on investment assets	1,161,657	613,596	860,714	269,114
	Net forex gain on foreign banks	43,350	574	37,652	574
	Net forex gain (loss) on reinsurances receivables/payables	(39,302)	165,923	16,112	(33,011)
	Net forex gain (loss) on retrocessionaires assets/payables	(23,132)	9,187	(8,579)	9,187
	Net forex gain on intercompany balances	-	-	8,685	171,462
		1,142,574	789,280	914,585	417,327
6	**Operating expenses**				
6.1	**Management expenses**				
	Employee benefits expenses	2,464,378	2,005,376	1,042,757	900,372
	Executive Directors emoluments	343,875	390,356	202,725	279,206
	Gratuity, redundancy and other employee related expenses	836,992	363,534	836,992	363,534
	Subscriptions	63,341	65,060	23,495	26,164
	Business travels	163,573	95,812	115,997	58,713
	Supervisory and regulatory levy	334,381	335,299	277,256	280,089
	Training and seminars	140,540	67,388	31,022	31,684
	Rent and rates	183,167	125,601	41,631	45,480
	Bank charges	94,476	79,879	41,603	43,649
	Stationeries, Printing and telephone	78,595	75,259	23,398	19,110
	Electricity, fuel and diesel	91,600	69,079	62,936	40,562
	ICT expenses-Hardware and software maintenance	141,657	181,500	91,303	170,479
	Advert and publicity	152,119	110,606	89,985	60,789
	Entert. & Public Relations	46,355	27,427	10,343	5,083
	Stamp duty, registrars fees and charges	56,245	186,504	1,747	142,681
	Clients development	48,047	24,967	149	7,669
	Other operating expenses	101,887	489,071	15,722	235,326
	Total management expenses	5,341,227	4,692,717	2,909,062	2,710,591
6.2	**Administrative expenses comprises the following:**				
	Depreciation and amortisation (Note 21 and 22)	357,480	326,153	307,939	221,254
	Auditor's remuneration	134,344	104,684	44,385	44,125
	Consultancy and professional fees	483,240	239,232	284,107	193,703
	Non-executive directors expenses	152,657	95,803	97,237	95,803
	Productivity bonus	540,551	391,380	540,551	391,380
	Other administrative expenses	354,750	53,827	27,655	28,041
	Total administrative expenses	2,023,022	1,211,079	1,301,873	974,306

During the period, the company's auditor, PricewaterhouseCoopers, did not render non-audit services to the Company and the Group

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Employee and executive management benefit expense				
Wages and salaries (local)	875,458	732,339	875,458	732,339
Wages and salaries (other regions)	1,328,214	1,236,942	62,484	156,404
Pension:			-	-
- Defined Benefit Staff Gratuity Plan	177,209	(79,618)	224,044	(104,083)
- Defined Contributory Plan	83,497	115,712	83,497	115,712
	2,464,378	2,005,376	1,245,482	900,372

The amount of Employer's pension contribution included amount of =N=39 million (2020:=N=35 million) paid on group life scheme in compliance with the 2014 Pencom Act.

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
The average number of persons employed by the Company during the year was as follows:				
Managerial Staff	52	38	29	18
Senior staff	60	50	33	35
	112	88	62	53

The number of employees of the Company, other than directors, who received emoluments in the following ranges (excluding pension contributions and certain benefits) were:

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
N3,000,001 - N3,500,000	16	3	13	2
N3,500,001 - N4,000,000	7	6	4	4
N4,000,001 - N4,500,000	8	5	4	3
N4,500,001 - N5,000,000	7	3	5	2
N5,000,001 - N5,500,000	6	8	3	1
N5,500,001 and above	68	63	33	41
	112	**88**	**62**	**53**

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
6.3	**Impairment charge/releases**				
	Reinsurance receivables (Note 15.1)	265,525	38,947	6,995	(101,900)
	Retro assets (Note 16.1)	(87,262)	527,935	(87,262)	527,935
	Other assets (Note 18.1)	-	(503)	-	(503)
		178,264	566,380	(80,266)	425,532
7	**Net gain/(loss) on available for sale financial assets**				
	Net gain/(loss) on available-for-sale financial assets				
	– Equity instruments	(411)	(567)	-	-
	– Debt Instruments	51,510	(118,596)	51,510	(118,596)
	Remeasurement gains on available-for-sale financial assets	51,099	(119,163)	51,510	(118,596)
	Reclassification adjustments to gains included in profit or loss	-	-	-	-
	Total net remeasurement gains/(loss) on available for sale financial assets	51,099	(119,163)	51,510	(118,596)

8 Taxation

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Per consolidated statement of profit or loss :	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Income tax based on profit for the year	1,190,274	1,105,910	95,662	86,367
Education tax	18,840	77	18,840	77
	1,209,114	1,105,987	114,502	86,444
Deferred tax expense (Note 9.1)	8,850	293,769	8,850	293,769
Income tax expense	1,217,964	1,399,756	123,352	380,213

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Per consolidated statement of financial position:				
At 1 January	800,776	800,776	601,185	774,676
Charged to profit or loss	1,209,114	1,105,987	114,502	86,444
Payments during the year	(692,712)	(1,105,987)	(178,820)	(259,936)
	1,317,178	800,776	536,867	601,185
Reconciliation of tax charge				
Profit before income tax	6,666,790	4,827,015	1,457,298	1,552,080
Tax at Nigerian's statutory income tax rate of 30%	2,000,037	1,448,105	437,189	465,624
Non-deductible expenses	293,865	500,722	213,989	326,147
Tax exempt income	(1,083,352)	(537,721)	(535,240)	(400,208)
Education tax levy	18,840	77	18,840	77
Tax rate differential on fair value gains	(11,427)	(11,427)	(11,427)	(11,427)
At effective income tax rate of Group 18% (2020:29%) and Company 8% (2020:24%)	1,217,964	1,399,756	123,352	380,213

9 Deferred taxation

Deferred income tax (assets)/liabilities are attributable to the following items:

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Deferred tax liabilities				
Property, plant and equipment	(332,468)	49,385	72,673	96,407
Investment properties	38,218	172,796	3,480	118,269
Unrealized exchange gain	314,552	155,509	246,155	115,823
	20,302	377,690	322,308	330,499
Deferred tax assets				
Employee benefits	41,912	(34,361)	(35,159)	(17,041)
	41,912	(34,361)	(35,159)	(17,041)
Net	62,214	343,329	287,149	313,458

9.1 *Movements in temporary differences during the year:*

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
As at 1 January	343,329	8,880	313,458	133,743
Recognised in profit or loss on:				
Property, plant and equipment	46,520	98,330	67,651	43,460
Investment properties	(116,181)	109,695	25,255	55,168
Foreign exchange unrealized gain	(169,543)	138,485	(154,375)	(32,968)
Employee benefits	(41,912)	(12,061)	35,159	114,053
	(281,116)	334,449	(26,310)	179,714
At 31 December	62,214	343,329	287,149	313,458

10 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary share holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:	Group December 2021	Group December 2020	Company December 2021	Company December 2020
Net profit attributable to ordinary shareholders (=N='000)	3,804,307	3,427,259	1,333,946	1,171,865
Weighted average number of shares for the year ('000)	12,517,204	12,517,204	12,517,204	12,517,204
Basis and diluted earnings per ordinary share (kobo)	30	18	11	9

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

11 Cash and cash equivalents

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Cash in hand	621	1,664	154	383
Balances held with local banks:				
- Current account	845,148	1,691,236	246,656	432,689
- Domiciliary account	284,756	595,847	284,756	595,847
Balances held with foreign banks	1,495,007	1,157,782	1,495,007	1,157,782
Placements with banks and other financial institutions	13,614,277	15,568,586	7,440,220	9,287,309
	16,239,808	19,015,116	9,466,791	11,474,010

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

The cash and cash equivalents position for cash flow purposes is as disclosed in Note 35. The reconciliation of cash and cash equivalent for cash flow purpose and statement of financial position is disclosed in note 35.1

12 Financial assets designated at fair value through profit or loss

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Managed Funds				
External portfolio management	-	-	-	-
	-	-	-	-

The external portfolio management involves funds held and managed by fund and stock managers on behalf of the Group as a trading portfolio. The instruments were realised in 2019 and reinvested in held to maturity investment instruments

13 Loans and other receivables

	Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
Staff loans and advances	203,588	254,747	114,181	117,429
Other advances	435,136	435,136	435,136	435,136
Impairment on other receivables (Note 13.1)	(373,991)	(373,991)	(373,991)	(373,991)
Total loans and other receivables	264,732	315,892	175,325	178,573

Of the other advances, N373,991,000 are deposit with a third party for investment purpose that is unrealisable. This was fully impaired in 2015.

13.1 Reconciliation of impairment on loans and other receivables:

At 1 January	373,991	373,991	373,991	373,991
Reversal of impairment	-	-	-	-
At 31 December	373,991	373,991	373,991	373,991

14 Investment securities

Analysis of investment securities				
Available-for-sale (note 14.1)	1,189,153	1,227,380	1,168,563	1,191,597
Held-to-maturity (note 14.2)	24,231,490	13,744,039	11,235,664	5,564,847
	25,420,643	14,971,419	12,404,227	6,756,444

14.1 Available-for-sale:

Equity instruments	1,168,563	1,191,598	1,168,563	1,191,598
Debt instruments	20,590	35,783	-	-
Total available-for-sale	1,189,153	1,227,381	1,168,563	1,191,598
Equity Instruments				
Quoted	593,401	583,652	593,401	583,652
Unquoted	575,163	607,946	575,163	607,946
Total equity instruments	1,168,563	1,191,598	1,168,563	1,191,598

These equities instruments are measured at fair value and classified as available-for-sale.

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
14.1	**Available-for-sale cont'd:**				
	Debt Instruments				
	Securities at Available-for-sale -Fair value				
	Government bonds	20,590	35,783	-	-
		20,590	35,783	-	-
	Total available for sale investments	1,189,152	1,227,381	1,168,563	1,191,598
14.1.1	***Movement in available for sale securities;***				
	At 1 January	1,191,597	1,769,668	1,191,597	1,732,411
	Additions during the year	363,867	519,203	9,224	201,661
	Disposal during the year	(438,000)	(978,111)	(83,768)	(623,879)
	Fair value movement in the year	51,099	(119,163)	51,510	(118,596)
	At 31 December	1,168,563	1,191,597	1,168,563	1,191,597

Sensitivities

The sensitivity analysis for available for sale financial instruments illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

A 5% movement in market rates will result in addition/reduction in the value of the assets by; Group of =N=88.2 million and Company =N=86.4 million

14.2 Held-to-maturity

		Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
	Debt instruments	24,231,490	13,744,039	11,235,664	5,564,847
	Securities at held-to-maturity - amortised cost				
	Listed	24,231,489	13,744,039	11,235,664	5,564,847
	Unlisted	-	-	-	-
		24,231,489	13,744,038	11,235,664	5,564,847
	Total debt instruments (14.1 and 14.2)	24,252,079	13,779,821	11,235,664	5,564,847
14.2.1	***Movement in held-to-maturity securities;***				
	At 1 January	13,744,039	13,744,039	5,564,847	5,564,847
	Additions during the year	10,630,990	2,988,261	5,749,978	2,798,016
	Disposal during the year	(663,131)	(3,168,355)	(539,131)	(2,932,923)
	Amortization of premium/discount on bonds	(138,294)	86,800	(122,384)	74,147
	Accrued interest	275,129	93,294	231,201	60,760
	Exchange difference	382,757	-	351,154	-
	At 31 December	24,231,489	13,744,039	11,235,664	5,564,847

None of these investment securities have been pledged to third party as collateral.

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
15	**Reinsurance receivables**				
	Due from ceding companies	13,385,920	11,848,338	3,460,178	3,360,648
	Due from ceding companies (Pipeline)	13,733,327	9,804,257	5,909,022	4,042,735
	Premium reserves retained by ceding companies	5,288,844	3,902,051	3,148,451	2,847,807
		32,408,091	25,554,647	12,517,651	10,251,190
	Impairment on reinsurance receivables (Note 15.1)	(1,074,664)	(1,054,904)	(238,545)	(254,388)
		31,333,426	24,499,743	12,279,107	9,996,802
15.1	**Reconciliation of impairment on reinsurance receivables**				
	At 1 January	1,054,903	2,566,932	254,388	1,155,515
	Written off during the year	(236,409)	(1,378,616)	(22,838)	(799,227)
	Charge for the year (Note 6.3)	265,525	38,947	6,995	(101,900)
	Exchange difference	(9,355)	(172,359)	-	-
	At 31 December	1,074,664	1,054,903	238,545	254,388

By the group policy trade receivables above 2 years are written-off. During the year the group wrote-off trade receivables amounting to N236m (Company N23m). The receivables were impaired in prior years

16 Retrocession Assets

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Retrocessionaires' share of claims recoverable	5,356,223	3,440,170	870,947	1,362,487
Retro share of unearned premium and outstanding claims	11,129,597	6,566,297	5,757,343	3,250,260
Retrocessionaires' share of life insurance contract liabilities	163,578	196,377	235,853	200,772
Impairment on retro share of claims recoverable (note 16.1)	(602,465)	(689,726)	(602,465)	(689,726)
Total retrocession assets	16,046,933	9,513,117	6,261,679	4,123,793

At 31 December 2021, the Company conducted an impairment review of the retrocession assets and N87m impairment release resulted from this exercise. The carrying amounts disclosed above approximate fair value at the reporting date.

		Group Dec. 2021 =N='000	Group Dec. 2020 =N='000	Company Dec. 2021 =N='000	Company Dec. 2020 =N='000
16.1	**Reconciliation of impairment on retro share of claims recoverable**				
	At 1 January	689,726	161,791	689,726	161,791
	Charge for the year (Note 6.3)	(87,262)	527,935	(87,262)	527,935
	At 31 December	602,465	689,726	602,465	689,726
17	**Deferred acquisition costs**				
	At 1 January	5,393,915	5,574,856	2,388,974	3,148,708
	Acquisition cost paid during the year	17,218,171	12,594,038	8,324,020	5,985,430
	Amortized acquisition cost for the year (Note 2.2)	(15,575,975)	(12,774,979)	(7,164,213)	(6,745,164)
	At 31 December	7,036,111	5,393,915	3,548,781	2,388,974
18	**Other assets**				
	Prepayments	188,287	138,353	73,750	91,135
	Intercompany balances	-	-	2,844,188	3,106,789
	Withholding tax receivable	4,168	4,168	4,168	4,168
	Accrued income on statutory deposit	8,384	33,443	8,384	33,443
	Others	346,925	741,548	157,417	155,308
		547,764	917,512	3,087,906	3,390,843
	Impairment on other assets (note 18.1)	(158,762)	(158,762)	(158,762)	(158,762)
		389,003	758,749	2,929,146	3,232,081
	Below are the breakdown of intercompany balances;				
	Receivables on shared services	-	-	180,108	58,151
	Retrocessions arrangement receivables	-	-	620,338	436,543
	Disposal of assets	-	-	1,486,398	1,857,997
	Other intercompany balances	-	-	557,345	754,098
		-	-	2,844,188	3,106,789

In 2020 the parent company sold her investment property in Cote d' voire to her subsidiary in Cameroon with a repayment plan above one year. The balance receivables on the disposal as at December 2021 was N1.5b (2020: 1.9b).

	Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
Reconciliation of movement in disposal of assets in intercompany balances:				
At 1 January	-	-	1,857,997	442,510
disposal during the year	-	-	-	1,857,997
Receipt during the year	-	-	(371,599)	(442,510)
At 31 December	-	-	1,486,398	1,857,997

The "others" are sundry receivables for which an amount of N155m have been fully impaired

		Group Dec. 2021	Group Dec. 2020	Company Dec. 2021	Company Dec. 2020
18.1	**Reconciliation of impairment on other assets**				
	At 1 January	158,762	158,762	158,762	159,265
	Charge (release) for the year (Note 6.3)	-	-	-	(503)
	Impairment no longer required	-	-	-	-
	At 31 December	158,762	158,762	158,762	158,762
18b	**Right of use Asset (Building)**				
	Cost				
	As at 1 January	160,396	160,396	15,259	15,259
	Additions	101,897	40,214	-	-
	As at 31 December	262,293	200,610	15,259	15,259
	Depreciation				
	As at 1 January	(65,965)	(27,176)	(9,439)	(4,485)
	Depreciation for the year	(39,425)	(38,789)	(5,590)	(4,954)
	As at 31 December	(105,390)	(65,965)	(15,029)	(9,439)
	Carrying amount as at 31 December	156,903	134,645	230	5,820

The right of use asset is on leased office building in Tunisia. The corresponding lease liabilities arising from this arrangement in line with IFRS 16 is on note 26b

19 Investment in subsidiaries

a) The Company's investment in subsidiaries is as stated below:

	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Continental Reinsurance Limited, Nairobi, Kenya	2,478,877	2,478,877
Continental Reinsurance Limited, Gaborone, Botswana	699,774	699,774
Continental Reinsurance Limited, Douala, Cameroon	2,944,458	2,944,458
	6,123,109	6,123,109
Movement in this account is as shown below:		
Opening	6,123,109	6,123,109
investment during the period	-	-
Closing	6,123,109	6,123,109

b) Nature of investments in subsidiaries 2021 and 2020

Name of entity	Nature of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by noncontrolling interests (%)
Continental Reinsurance Limited Kenya	Composite	Kenya	65	35
Continental Reinsurance Limited, Botswana	Composite	Botswana	60	40
Continental Reinsurance Limited, Douala, Cameroon	Composite	Cameroon	51	49

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

Significant restrictions

There are no significant restrictions (contractual or otherwise) on the group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit/prohibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity.

20 Investment properties

	Group	Group	Company	Company
	Dec. 2021	Dec. 2020	Dec. 2021	Dec. 2020
	=N='000	=N='000	=N='000	=N='000
At 1, January	4,998,800	3,123,121	2,146,000	3,123,121
Addition	130,270	13,333		
Disposal	(331,400)	(260,500)	(331,400)	(2,733,021)
Fair value gain/(loss)	127,392	394,146	11,600	27,200
Transfer (to)/from owner-occupied property	-	1,728,700	-	1,728,700
At 31 December	4,925,062	4,998,800	1,826,200	2,146,000

Income generating floors of the owner-occupied property are classified as investment property since management has demonstrated legally that the portion of the building which generates rental income can be sold separately or leased out separately under a finance lease. Investment properties are measured at fair value and the value is determined by Olalekan Aboderin Consulting an independent professional valuer. There is no restriction on the realisability of the property or the remittance of income and proceeds of disposal and no contractual obligation to purchase, construct or develop the property or for repairs, maintenance or enhancements.

Below is a breakdown of investment properties showing movement during the year;
Group:

	1-Jan-21 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-21 =N='000
3 Bedroom apartment, Kubwa, FCT	8,500	-	700	9,200
17 Olosa street, Victoria Island, Lagos	1,806,100	-	10,900	1,817,000
Block 3 bed-room flats at Castle and Temple Drive, Lekki Phase	331,400	(331,400)	-	-
Mixed development property, Abidjan.	2,852,800	130,269	115,792	3,098,861
Total	4,998,799	(201,131)	127,392	4,925,062

Company

	1-Jan-21 =N='000	Addition/disposal =N='000	Fair value gain =N='000	31-Dec-21 =N='000
3 Bedroom apartment, Kubwa, FCT	8,500	-	700	9,200
17 Olosa street, Victoria Island, Lagos	1,806,100	-	10,900	1,817,000
Block 3 bed-room flats at Castle and Temple Drive, Lekki Phase	331,400	(331,400)	-	-
Total	2,146,000	(331,400)	11,600	1,826,200

20.1 List of Investment properties and carrying amount

Description	Date of acquisition	Nature of title	Location	Carrying amount
3 Bedroom apartment	2001	FHA Letter of allocation	Kubuwa, Abuja	9,200
17 Olosa street, Victoria Island, Lagos	2020	Deed of Assignment	Victoria Island, Lagos	1,817,000
Mixed development property, Abidjan.	2014	C of O	Abidjan	3,098,861
				4,925,062

All the title documents on the investment properties are in the name of the Group

The Group enters into operating leases for all of its investment properties. The rental income arising during the period ended 31 December 2021 amounted to =N=127.86 million (year ended 31 December 2020: =N=105.022 million) which is included in other income. Direct operating expenses arising in respect of such properties during the year are included in administrative expenses.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. The Group has no contractual obligations to purchase, construct or develop investment property or for repairs or enhancement.

	Group	Group	Company	Company
	Dec. 2021	Dec. 2020	Dec. 2021	Dec. 2020
	=N='000	=N='000	=N='000	=N='000
Rental Income derived from investment properties	127,864	105,772	49,333	13,125
Gain (loss) on disposal of investment properties	48,580	-	48,580	(215,870)
Direct operating expenses (including repairs & maintenance)	(7,586)	(16,426)	(1,045)	(13,105)
Profit arising from investment properties carried at fair value	168,857	89,346	96,868	(215,850)

The proceed from sale of investment properties during the year was N403m. The book value of the disposed asset is N331m. Disposal expense of N23m was incurred resulting to a gain of N49m

	Fair value measurement using			
	Quoted prices in active market Level 1	*Significant observable inputs Level 2*	*Significant unobservabl e inputs Level 3*	*Total*
Date of valuation - 31 December 2021	*=N='000*	*=N='000*	*=N='000*	*=N='000*
Investment properties	-	-	4,925,062	4,925,062

The fair value disclosure on investment properties is as follows:

	Fair value measurement using			
	Quoted prices in active market Level 1	*Significant observable inputs Level 2*	*Significant unobservabl e inputs Level 3*	*Total*
Date of valuation - 31 December 2021	*=N='000*	*=N='000*	*=N='000*	*=N='000*
Investment properties	-	-	4,998,800	4,998,800

During the year, there were no transfers between level 1 and level 2 and in and out of level 3.

Investment properties-Continued

Description of valuation techniques used and key inputs to valuation on investment properties

Olosa Property

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*
Income capitalization using DCF Analysis	Estimated rental per Square meters per annum	N110,000/sqm
	Total Square meters	1386 sqm
	Average annual growth	8.11%
	Average annual probable vacancy rate	8.2%
	Capitalisation rate (equated yield)	15.13%

Three bedroom flats

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)*
Income capitalization using DCF Analysis	Estimated rental per wing per annum	=N=700,000
	Average annual growth	8.68%
	Average annual probable vacancy rate	2.8%
	Capitalisation rate (equated yield)	13.75%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

20.2 Sensitivity analysis on Investment properties

	Sensitivities in capitalization rate		**Sensitivities in vacancy rate**	
Property	**Effect of 10% increase**	**Effect of 10% Decrease**	**Effect of 10% increase**	**Effect of 10% Decrease**
	=N='000	**=N='000**	**=N='000**	**=N='000**
FHA - Abuja Property, Abuja, Nigeria	7,800	10,900	9,200	9,200
17 Olosa street, Victoria Island, Lagos Property	1,612,940	2,060,723	1,800,905	1,833,670
Zone 4/C, Marcony, Abidjan, Cote d' Ivoire	2,593,455	2,593,455	-	-
	4,214,194	4,665,077	1,810,105	1,842,870

21 Intangible assets-Software

			Group	**Company**
			=N='000	**=N='000**
Cost:				
At 1 January 2020			482,664	480,450
Disposal			-	-
Additions			7,324	7,464
At 31 December 2020			489,988	487,914
Disposal			-	-
Additions			147,256	147,256
At 31 December 2021			637,244	635,170
Accumulated amortisation:				
At 1 January 2020			221,442	219,596
Disposal			-	-
Amortisation of software			136,645	136,427
At 31 December 2020			358,088	356,023
Disposal			-	-
Amortisation of software			157,685	157,677
At 31 December 2021			515,774	513,700
Carrying amount:				
At 31 December 2021	-	-	121,470	121,470
At 31 December 2020			131,899	131,890

22 Property, plant and equipment
Group

	Freehold property =N='000	Building =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Office partitioning =N='000	Computer equipment =N='000	Building W.I.P =N='000	Total =N='000
Cost:								
At 1 January 2020	1,406,297	-	406,223	183,679	68,558	149,962	2,402,043	4,616,763
Additions	-	-	90,288	188,669	159,642	47,985	674,133	1,160,716
Disposals	-		(65,848)	(74,566)	(54,130)	(16,106)	-	(210,650)
Reclassification/write-off	(434,158)	1,279,687					(3,076,176)	(2,230,647)
Exchange difference	38,796		21,492	27,312	10,206	20,857	-	118,664
At 31 December 2020	1,010,935	1,279,687	452,155	325,095	184,275	202,698	-	3,454,846
Additions	-	-	139,100	16,801	52,309	43,210	-	251,421
Disposals	-		(136,384)	(5,134)	-	(10,277)	-	(151,795)
Exchange difference	(37,886)		(23,080)	(26,671)	(9,966)	(20,368)	-	(117,971)
At 31 December 2021	973,049	1,279,687	431,791	310,091	226,618	215,263	-	3,436,501
Accumulated depreciation:								
At 1 January 2020	-	-	154,041	128,652	64,254	101,286	-	448,233
Charge for the year	-	-	124,345	25,729	10,390	29,045	-	189,509
Disposal	-	-	(57,755)	(57,196)	(45,412)	(11,837)	-	(172,200)
Exchange difference	-		(11,332)	(8,138)	(4,188)	(9,566)	-	(33,224)
At 31 December 2020	-	-	209,299	89,047	25,044	108,928	-	432,318
Charge for the year	-	25,594	89,763	33,645	19,187	31,606	-	199,795
Disposal	-	-	(90,635)	(2,855)	-	(8,824)	-	(102,314)
Exchange difference	-		10,940	7,857	4,043	9,236	-	32,075
At 31 December 2021	-	25,594	219,367	127,693	48,274	140,946	-	561,875
Net book value:								
At 31 December 2021	973,049	1,254,093	212,424	182,397	178,343	74,318	-	2,874,626
At 31 December 2020	1,010,935	1,279,687	242,856	236,048	159,231	93,769	-	3,022,526

22 Property, plant and equipment

Company	Freehold property =N='000	Building =N='000	Motor vehicles =N='000	Furniture and fittings =N='000	Office partitioning =N='000	Computer equipment =N='000	Building W.I.P =N='000	Total =N='000
Cost:								
At 1 January 2020	434,158	-	364,331	101,742	54,131	94,381	2,402,043	3,450,785
Additions	-		38,042	170,963	150,061	24,502	674,133	1,057,700
Reclassification	(434,158)	1,279,687	-		-		(3,076,176)	(2,230,647)
Disposals	-		(65,848)	(74,566)	(54,130)	(13,325)	-	(207,869)
At 31 December 2020	-	1,279,687	336,524	198,138	150,061	105,558	-	2,069,969
Additions	-		139,100	4,249	-	17,066	-	160,415
Disposals	-		(99,883)	(3,521)	-	(9,207)	-	(112,611)
At 31 December 2021	-	1,279,687	375,741	198,866	150,061	113,416	-	2,117,774
Accumulated depreciation:								
At 1 January 2020	-	-	173,080	69,945	45,411	73,650	-	362,085
Charge for the year	-		60,756	12,319	2,925	8,967	-	84,968
Disposal	-		(57,755)	(57,196)	(45,412)	(8,975)	-	(169,338)
At 31 December 2020	-	-	176,081	25,067	2,925	73,642	-	277,715
Charge for the year	-	25,594	64,264	24,899	18,758	16,740	-	150,254
Disposal	-		(53,900)	(1,232)	-	(7,868)	-	(63,000)
At 31 December 2021	-	25,594	186,445	48,735	21,682	82,513	-	364,970
Net book value:								
At 31 December 2021	-	1,254,093	189,296	150,131	128,379	30,902	-	1,752,803
At 31 December 2020	-	1,279,687	160,444	173,071	147,136	31,917	-	1,792,256

During the year, the company disposed PPE with a carrying book value of N49.6m (cost was N113m and accumulated depreciation was N63m) at sales price of N29.3 resulting in a disposal loss of N20.4m (see note 5). An amount of N537,211 was uncollected at the end of the reporting period. The N537,211 receivables on the disposal is reported in staff loans

		Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
23	**Statutory deposits**				
	At 31 December	1,000,000	1,000,000	1,000,000	1,000,000

Statutory deposit represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. This is restricted cash as management does not have access to the balances in its day to day activities. They are measured at cost and interest is paid semi-annually with 2021 average interest rate being 3% (2020: 13%).

24	**Insurance contract liabilities**				
	Unearned premium (Note 24.1)	25,008,822	18,230,128	10,632,412	7,003,669
	Outstanding claims (Note 24.2)	25,252,607	17,427,998	12,098,220	8,432,759
	Non-life contract liabilities	50,261,429	35,658,126	22,730,632	15,436,428
	Life (Note 24.3)	4,308,077	3,184,131	2,669,470	2,002,398
	Total insurance liabilities	54,569,505	38,842,258	25,400,102	17,438,827
	Total retrocessionaire's share of insurance liabilities (Note 16)	(16,046,934)	(9,513,117)	(6,261,679)	(4,123,793)
	Net insurance contracts	38,522,571	29,329,141	19,138,423	13,315,034
24.1	***Reserve for unearned premium-Non life***				
	At 1 January	18,230,128	18,230,128	7,003,669	7,643,564
	Increase in the year (see note 1.1)	64,736,634	48,946,889	30,394,126	23,884,908
	Portfolio transfer and premium adjustments during the period	-	1,008,450	-	(1,006,305)
	Released during the period	(57,997,535)	(50,001,380)	(26,765,383)	(23,518,498)
	Exchange difference	39,595	46,041		
	At 31 December	25,008,822	18,230,128	10,632,412	7,003,669
24.2	***Reserve for outstanding claims-Non life***				
	At 1 January	17,427,998	11,559,459	8,432,759	3,916,834
	Portfolio transfer and claims adjustments during the period	-	-	-	(1,162,734)
	Incurred in the current year including IBNR (note 2.1)	29,131,904	24,085,649	17,343,749	14,134,171
	Paid during the period	(21,345,582)	(18,259,183)	(13,678,288)	(8,455,512)
	Exchange difference	38,287	42,073		
	At 31 December	25,252,607	17,427,998	12,098,220	8,432,759
24.3	***Insurance liabilities on life business;***				
a	***Group life reserve for unearned premium***				
	At 1 January	1,345,026	1,410,205	1,307,811	1,548,523
	Change in the period	813,589	(69,282)	675,065	(51,465)
	Portfolio transfer and premium adjustments during the period			-	(189,247)
	Exchange difference	3,570	4,103		
	At 31 December	2,162,184	1,345,026	1,982,876	1,307,811
b	***Life reserve for outstanding claims***				
	At 1 January	1,839,105	1,839,105	694,587	694,587
	Claims Incurred in the year including IBNR (note 2.1)	2,912,686	2,345,890	1,496,877	2,025,585
	Portfolio transfer and claims adjustments during the period			-	(42,770)
	Claims paid during the period	(2,609,396)	(2,349,957)	(1,504,870)	(1,982,815)
	Exchange difference	3,498	4,067		
	At 31 December	2,145,893	1,839,105	686,594	694,587
	Total Insurance liabilities on life business	4,308,077	3,184,131	2,669,470	2,002,398
25	**Reinsurance creditors**				
	Due to retrocessionaires	1,760,488	1,159,624	87,942	63,119
	Due to ceding companies	2,800,691	3,058,870	1,707,908	2,343,236
		4,561,180	4,218,493	1,795,850	2,406,354

This represents the amount payable to insurance and reinsurance companies.

26	**Other liabilities**				
	Sundry creditors (note 26.1)	54,827	149,375	46,210	73,000
	Accrued staff benefits	540,551	391,380	540,551	391,380
	Unclaimed dividend	330,991	340,051	330,991	340,051
	Rent received in advance	-	36,833	-	36,833
	Accrued expenses	305,109	254,758	206,042	157,672
	Dividend payable (Note 26.3)	23,910	23,910	23,910	23,910
	Deposit for Shares	-	-	-	-
	Intercompany balance (note 26.2)	-	-	457,430	443,026
	Others	67,863	36,553	-	49,911
		1,323,252	1,232,860	1,605,133	1,515,782
26.1	**Sundry creditors**				
	Receipt onbehalf of 3rd party	-	-	-	-
	Adjustments on portfolio transfers	-	-	-	-
	Other sundry creditors	54,827	149,375	46,210	73,000
		54,827	149,375	46,210	73,000

		Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
26.2	**Intercompany balance**				
	Retrocessions arrangement payable	-	-	396,605	388,523
	Payable on Douala capitalization	-	-	-	-
	Other intercompany balances	-	-	60,825	54,503
		-	-	457,430	443,026
26.3	**Dividends payable and proposed**				
	At 1 January	23,910	23,910	23,910	23,910
	Declared during the period	-	-	-	-
	Paid during the year	-	-	-	-
		23,910	23,910	23,910	23,910

Nil dividend proposed (2020: Nil).

		Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
26b	**Lease liability**				
	At 1 January	160,899	127,587	13,367	9,359
	Additions in the year	22,247	23,162	8,395	7,472
	Interest expense(release) during the year	19,434	10,149	1,009	(3,465)
	At 31 December	202,580	160,899	22,772	13,367

The lease liability arose from leased office building in Tunisia. The corresponding right of use asset arising from this arrangement in line with IFRS 16 is on note 18b

27	**Retirement benefit obligations**				
	Defined contribution scheme (Note 27.1)	-	-	-	-
	Defined benefit gratuity scheme (Note 27.2)	542,746	670,301	384,408	507,614
	Exchange difference	-	-	-	-
		542,746	670,301	384,408	507,614

27.1 ***Defined contribution scheme***

In accordance with the provisions of the Pensions Act 2014, the Group and its staff commenced a contributory pension scheme in January 2005. The contribution by employees and the Company are 8% and 10%, respectively, of the employees' basic salary, housing and transport allowances. The contribution made and transferred to the pension fund administrator during the year are as follows:

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Balance at beginning of year	-	-	-	-
Provisions during the year	83,497	115,712	83,497	115,712
Transfer to Pension Fund Administrator	(83,497)	(115,712)	(83,497)	(115,712)
Balance at end of year	-	-	-	-

27.2 ***Defined benefit staff gratuity scheme***

The Group operates a defined benefit staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period of five years and gross salary on date of retirement.

Statement of financial position obligation for:	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
The amounts recognised in the statement of financial position are determined as follows:				
Present value of funded obligations	1,127,433	1,222,975	798,522	926,151
Fair value of plan assets	(584,687)	(552,674)	(414,114)	(418,537)
Deficit of funded plans	542,746	670,301	384,408	507,614
Liability in the consolidated statement of financial position	542,746	670,301	384,408	507,614

The movement in the defined benefit obligation over the year is as follows:

At beginning of the year	1,222,975	920,926	926,152	779,520
Service cost	124,895	(46,511)	149,638	(50,604)
Transfer to subsidiaries	-	-	-	(8,931)
Interest cost	86,023	106,907	65,559	(32,984)
Actuarial gains (losses)	154,925	476,580	112,772	419,445
Benefit paid	(461,386)	(234,927)	(455,600)	(180,295)
At end of the year	1,127,433	1,222,975	798,522	926,152

27.2 Retirement benefit obligations (continued)

Defined benefit staff gratuity scheme (cont'd)	**Group 31 December 2021 =N='000**	**Group 31 December 2020 =N='000**	**Company 31 December 2021 =N='000**	**Company 31 December 2020 =N='000**
The amounts recognised in the profit or loss are as follows:				
Current service cost	124,895	(46,511)	149,638	(50,604)
Net interest	43,467	45,427	74,405	(53,479)
Total, included in staff costs	168,362	(1,084)	224,044	(104,083)
The amounts recognised in other comprehensive income				
Re-measurement loss on net defined benefit plans	(165,469)	(502,022)	(117,196)	(452,023)
The movement in the plan assets over the year is as follows:				
Assets at fair value - opening	552,674	516,636	418,536	437,308
Interest return	42,556	61,480	(8,847)	20,495
Employer contribution	461,386	234,927	455,600	180,295
Benefit paid	(461,386)	(234,927)	(455,600)	(180,295)
Actuarial gain/(loss)	(10,543)	(25,442)	4,424	(39,267)
At end of the year	584,687	552,674	414,114	418,536
Composition of Plan assets				
Cash	93%	93%	112%	93%
Equity	7%	7%	-12%	7%
Others	0%	0%	0%	0%

Disaggregation of plan assets

The plan assets are invested in quoted equities and cash and cash equivalents. The following show the disaggregation of the plan assets.

Plan assets by	Fair value hierarchy 31 December 2021			
	Level 1 =N='000	**Level 2 =N='000**	**Level 3 =N='000**	**Total =N='000**
Quoted equity	42,331	-	-	42,331
Cash and cash equivalents	-	542,356	-	542,356
Receivables	-	-	-	-
Total	42,331	542,356	-	584,687
				-

Plan assets by	Fair value hierarchy 31 December 2020			
	Level 1 =N='000	**Level 2 =N='000**	**Level 3 =N='000**	**Total =N='000**
Quoted equity	40,014	-	-	40,014
Cash and cash equivalents	-	512,660	-	512,660
Receivables	-	-	-	-
Total	40,014	512,660	-	552,674

The fair value of plan assets at the end of the reporting period is analysed as follows:

	Group		**Company**	
	31-Dec-21 =N='000	**31-Dec-20 =N='000**	**31-Dec-21 =N='000**	**31-Dec-20 =N='000**
Cash and cash equivalents	542,356	512,660	462,195	436,889
Quoted equity				
Consumer goods	2,117	2,001	1,804	1,705
Conglomerates	1,693	1,601	1,443	1,364
Financial services	38,522	36,412	-51,328	-21,422
Subtotal	42,332	40,014	-48,082	-18,353
Loans and receivables	-	-	-	-
Total	**584,687**	**552,674**	**414,112**	**418,536**

The fair values of the above equity are determined based on quoted market prices in active markets .
The loan and receivable represents the dividend income paid into the bank of the company that will be refunded to the plan assets .

The actual return on plan assets was NGN32.02 million (2020: NGN36.038 million)

27.2 Retirement benefit obligations (continued)

	Group 31 December 2021	Group 31 December 2020	Company 31 December 2021	Company 31 December 2020
The principal actuarial assumptions were as follows:				
Average long term discount rate (p.a.)	12.9%	7.7%	12.9%	7.7%
Average long term rate of inflation (p.a.)	10%	10%	10%	10%
Average long term pay increase (p.a.)	5%	5%	5%	5%

It is important to treat the results of the valuation with a degree of caution, as they are extremely sensitive to the assumptions used.

The valuation results set out above are based on a number of assumptions. The value of the liability could turn out to be overstated or understated, depending on the extent to which actual experience differs from the assumptions adopted.

We recalculated the liability to show the effect of:

i) the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate;
ii) the salary increase rate assumption on the defined benefit obligation by adding and subtracting 1% to the salary increase rate; and
iii) the mortality assumption on the defined benefit obligation by adding and subtracting 1 year to the age rating.

A quantitative sensitivity analysis for significant assumption on the group's retirement benefit obligations as at 31 December 2021 is as shown below:

		Discount rate	Salary	Mortality
Assumptions				
Sensitivity level		=N='000	=N='000	=N='000
Impact on defined benefit obligation	+1%	1,075,360	1,186,220	1,130,117
Impact on defined benefit obligation	-1%	1,182,525	1,071,037	1,125,014

Assets Volatility

The plan liabilities are calculated using a discount rate set with reference to Federal Government Bond yields. If the plan assets underperform this yield, this will create a deficit. As the plans mature, the group intends to reduce the level of investment risk by investing more in asset such that changes in the value of the assets closely match the movement in the fund's liabilities. There remains the residual risk that the selected portfolio does not match the liabilities closely enough or that as it matures there is a risk of not being able to reinvest the assets at the assumed rates. Management reviews the structure of the portfolio on a regular basis to minimize these risks.

Changes in Bond Yields
A decrease in Federal bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

The rate used to discount post-employment benefit obligations is determined with reference to market yields at the balance sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds are used. The Group is of the opinion that there is no deep market in Corporate Bonds in Nigeria and as such assumptions underlying the determination of discount rate are referenced to the yield on Nigerian Government bonds of medium duration, as compiled by the Debt Management Organisation.

Inflation Risk
The plan benefit obligations are linked to inflation, and higher inflation lead to higher liabilities. However, majority of the plan assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

28 Share capital

	=N='000	=N='000	=N='000	=N='000
Authorised				
25,000,000,000 ordinary shares of 50k each	12,500,000	12,500,000	12,500,000	12,500,000
Issued and fully paid				
12,517,204,331 ordinary shares of 50k each	6,258,602	6,258,602	6,258,602	6,258,602

29 Share premium

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
At 31 December	8,204,371	8,204,371	8,204,371	8,204,371

30 Contingency reserve

The statutory contingency reserve has been computed in accordance with Section 21 (1) of the Insurance Act, Cap I17 LFN 2004. The composition on the account are as follows:

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Non - Life	7,833,214	6,883,282	7,077,565	6,165,741
Life	436,102	390,783	430,985	385,666
Total	8,269,316	7,274,065	7,508,549	6,551,407
Movement in this account is as shown below:				
At 1, January	7,274,065	6,264,958	6,551,407	5,796,452
Addition during the year	995,251	1,009,106	957,142	754,955
At 31 December	8,269,316	7,274,065	7,508,549	6,551,407

31 Retained earnings:

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

32 Other reserves

32.1 Available-for-sale reserve:

The fair value available-for-sale reserve shows the effects from the fair value measurement of financial instruments of the category available-for-sale. Any gains or losses are not recognised in the profit or loss until the asset has been sold or impaired.

32.2 Foreign currency translation reserve:

Foreign currency translation reserve comprise the exchange differences arising on translation of its subsidiary. Gains or losses arising therefrom is recognised in other comprehensive income.

33 Non-controlling interests

In 2013 financial year, Britam Asset Managers (BAM) invested in Continental Reinsurance Limited, Kenya (CRe Limited, Kenya); subsidiary of Continental Reinsurance Plc (CRe Plc), through capital injection. This was to fulfill regulatory requirement of minimum 30% local shareholding.

In 2014,Continental Reinsurance Plc and Botswana Insurance Company Limited co-founded Continental Reinsurance Limited, Botswana, this led to Continental Reinsurance Plc having shareholding of 60% and Botswana Insurance Company Limited 40% in Continental Reinsurance Limited, Botswana.

In 2018, Continental Reinsurance Plc and C.Re Holdings Limited, Mauritius co-founded Continental Reinsurance Limited, Cameroon, this led to Continental Reinsurance Plc having shareholding of 51% and C.Re Holdings Limited 49% in Continental Reinsurance Limited, Cameroon.

The Non-Controlling interest in the three subsidiaries is hereby presented below:

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000	Total =N='000
At 1 January 2021	2,607,358	2,699,756	1,608,851	6,915,965
Capital refund-preference shares	-	-	-	-
Profit for the period	565,710	761,693	317,116	1,644,519
Difference on foreign currency translation	(19,887)	115,455	23,493	119,061
Other comprehensive income;				-
Available for sale remeasurement	-	(144)	-	(144)
Remeasurement of retirement benefits obligations	(3,243)	(4,633)	(4,633)	(12,510)
At 31 December	3,149,938	3,572,127	1,944,827	8,666,893

The Non-Controlling interest in the three subsidiaries is hereby presented below:

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000	Total =N='000
At 1 January 2020	2,024,147	2,280,337	2,694,910	6,999,394
Capital injection-preference shares	-	-	-1,642,072	-1,642,072
Profit for the period	254,935	482,373	487,471	1,224,779
Difference on foreign currency translation	338,116	(48,699)	82,599	372,017
Other comprehensive income;				-
Available for sale remeasurement	-	(198)	-	-198
Remeasurement of retirement benefits obligations	(9,840)	(14,057)	(14,057)	(37,952)
At 31 December	2,607,358	2,699,756	1,608,851	6,915,967

33a Condensed results of consolidated entities

The condensed financial data of the consolidated entities as at 31 December 2021, are as follows:

	Continental Reinsurance Limited, Douala =N='000	Continental Reinsurance Limited, Kenya =N='000	Continental Reinsurance Limited, Botswana =N='000
Condensed statement of profit or loss and other comprehensive income			
Revenue	**6,604,029**	**20,202,582**	**8,469,258**
Profit before income tax	1,213,982	2,989,341	1,014,854
Income tax	(59,472)	(813,075)	(222,065)
Profit after tax	**1,154,510**	**2,176,266**	**792,789**
Condensed statement of financial position			
Cash and cash equivalents	2,789,347	1,750,184	2,233,486
Financial assets			
-Financial asset designated as fair value through profit or loss	-	-	-
-Loans and other receivables	75,508	6,866	7,033
-Available-for-sale investments	-	20,590	-
-Held to maturity investments	1,072,989	10,998,328	924,509
Reinsurance receivables	4,948,372	9,182,859	4,923,089
Retrocession assets	3,128,939	3,006,991	3,649,325
Deferred acquisition costs	559,997	1,816,829	1,110,504
Other assets	527,392	114,012	295,224
Right of use of Asset	-	138,503	18,170
Investment properties	3,098,862	-	-
Property, plant and equipment	1,019,415	74,896	27,512
Statutory deposits			
Total assets	**17,220,821**	**27,110,058**	**13,188,852**
Liabilities			
Insurance contract liabilities	6,943,715	15,289,015	6,936,672
Reinsurance creditors	1,092,783	733,927	938,619
Other liabilities	2,611,220	162,992	420,678
Lease liability	-	162,346	17,463
Retirement benefit obligations	72,284	59,928	26,126
Current income tax payable	60,462	624,351	95,497
Deferred tax liabilities	11,911	(128,576)	(108,270)
Equity	6,428,446	10,206,076	4,862,069
Total liabilities and equity	**17,220,821**	**27,110,058**	**13,188,854**
Cashflows from operating activities	(1,281,316)	4,302,311	(1,301,340)
Cashflows from investing activities	54,231	(2,771,017)	(1,733,623)
Cashflows from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	(1,227,085)	1,531,294	(3,034,963)
Cash and cash equivalent, beginning of year	723,826	2,382,849	1,237,401
Cash and cash equivalent, end of year	**(503,259)**	**3,914,143**	**(1,797,560)**

The condensed financial data of the consolidated entities as at 31 December 2020, are as follows:

	Continental Reinsurance Limited, Douala	**Continental Reinsurance Limited, Kenya**	**Continental Reinsurance Limited, Botswana**
	=N='000	**=N='000**	**=N='000**
Condensed statement of profit or loss and other comprehensive income			
Revenue	**5,708,184**	**12,710,501**	**7,004,710**
Profit before income tax	640,304	1,932,147	1,564,255
Income tax	(120,028)	(553,937)	(345,578)
Profit after tax	**520,276**	**1,378,210**	**1,218,677**
Condensed statement of financial position			
Cash and cash equivalents	4,266,306	1,310,115	1,964,685
Financial assets			
-Financial asset designated as fair value through profit or loss	-	-	-
-Loans and other receivables	100,483	23,054	13,782
-Available-for-sale investments	-	35,783	-
-Held to maturity investments	262,968	6,873,848	1,042,376
Reinsurance receivables	3,122,151	6,630,361	4,750,430
Retrocession assets	1,285,223	2,025,897	2,078,204
Deferred acquisition costs	534,330	1,232,308	1,238,303
Other assets	588,597	10,599	637,403
Right of use of Asset	-	95,923	32,902
Investment properties			-
Intangible assets	-	-	-
Property, plant and equipment	1,185,720	23,227	21,323
Statutory deposits			
Total assets	**11,345,778**	**18,261,115**	**11,779,408**
Liabilities			
Insurance contract liabilities	5,389,336	10,000,877	6,013,217
Reinsurance creditors	345,852	205,731	1,260,556
Other liabilities	2,924,507	79,895	422,605
Lease liability	-	114,518	33,013
Retirement benefit obligations	77,826	73,799	11,061
Current income tax payable	127,958	7,812	63,821
Deferred tax liabilities	11,967	64,899	(46,995)
Equity	5,321,140	7,713,588	4,022,129
Total liabilities and equity	**14,198,586**	**18,261,119**	**11,779,407**
Cashflows from operating activities	(2,255,399)	1,482,433	(124,858)
Cashflows from investing activities	1,698,549	(129,985)	(324,959)
Cashflows from financing activities	-	-	(1,788,867)
Net increase/(decrease) in cash and cash equivalents	(556,850)	1,352,448	(2,238,685)
Cash and cash equivalent, beginning of year	1,280,676	1,030,401	3,476,085
Cash and cash equivalent, end of year	**723,826**	**2,382,849**	**1,237,401**

34 Reconciliation of profit before taxation to net cash generated by operating activities

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Profit before income tax expense	6,666,790	4,827,015	1,457,298	1,552,080
Adjustments for:				
- Depreciation and amortization (Note 6.1)	357,480	326,153	307,939	221,254
-increase in provision for bad and doubtful balances (note 6.3)	178,264	566,379	(80,266)	425,532
– Profit on disposal of investments	(2,546)	(269,381)	(2,546)	(269,381)
–commission income on retro and unamortized retro cost	(1,095,279)	(230,243)	(1,095,276)	(244,236)
– Interest income	(2,507,382)	(1,980,858)	(1,276,381)	(900,594)
– Dividend received	(32,380)	(102,543)	(32,380)	(1,008,721)
–unrealised foreign exchange gain	(1,048,508)	(722,202)	(820,517)	(363,760)
–Fair value loss on investment property and financial assets designated at fair value	(127,392)	(394,146)	(11,600)	(27,200)
Changes in operating assets/liabilities				
–Reinsurance debtors	(2,924,374)	(5,844,642)	(400,174)	(1,161,115)
–Prepayments and other assets	369,746	(352,895)	302,935	(1,145,866)
–Retrocession assets	(6,533,816)	(815,079)	(2,137,886)	68,165
–Reinsurance creditors and other liabilities	883,238	831,650	(69,953)	2,420,994
–Deferred acquisition costs	(1,642,196)	180,941	(1,159,807)	759,734
–Provision for unexpired risks	7,595,852	1,405,974	4,303,808	(880,607)
–Outstanding claims	3,815,174	4,596,667	3,657,468	1,726,531
–Retirement benefit obligations	(127,555)	266,011	(123,206)	165,402
Income tax paid (Note 8)	(692,712)	(1,320,000)	(178,820)	(259,936)
Net cash generated from operating activities	3,132,405	968,803	2,640,636	1,078,276

35 Cash and cash equivalents for purposes of the consolidated statement of cashflows

	Group 31 December 2021 =N='000	Group 31 December 2020 =N='000	Company 31 December 2021 =N='000	Company 31 December 2020 =N='000
Cash in hand	621	1,664	154	383
Balances held with other banks:				
- Current account	845,148	1,691,236	246,656	432,689
- Domiciliary account	284,756	595,847	284,756	595,847
Balances held with foreign banks	1,495,007	1,157,782	1,495,007	1,157,782
- Placements with banks and other financial institutions with original maturity < 90 days	13,614,277	15,568,586	7,440,220	9,287,309
Treasury bills	56,026	-	56,026	-
	16,295,837	19,015,115	9,522,819	11,474,010

35.1 Reconciliation of Cash and cash equivalents for purposes of statement of cashflows and Statement of financial position

Cash and cash equivalent in cash flows (note 35)	16,295,837	19,015,116	9,522,819	11,474,010
Add items in Statement of financial position not in Cashflows;				
Placement with original maturity more than 90 days	-	-	-	-
Less items in Cashflows not in statement of financial position;				
Treasury bills with original maturity less than 90 days	(56,026)	-	(56,026)	-
Cash and cash equivalent in statement of financial position (note 11)	16,239,808	19,015,116	9,466,791	11,474,010

36 Related parties

The group is controlled by C-Re holdings Ltd (incorporated in Mauritius), the major shareholder of the group parent company, C-Re Africa Investment Limited (incorporated in Mauritius)

a Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates as well as key management personnel.

b Transactions with key management personnel

The group's key management personnel, and persons connected with them are also considered to be related parties. The definition of key management includes close members of family of key personnel and any entity over which they exercise control. The key management have been identified as executive and non executive directors of the group as well as their close family members.

c *Transaction with related parties*

Name of related party and relationship	Nature of transactions	Due from/ due to		Income (expense)	
		Dec. 2021 =N='000	Dec. 2020 =N='000	Dec. 2021 =N='000	Dec. 2020 =N='000
Salam/Saham group and related companies	Premium	392,311	547,085	544,071	444,024
		-	-		
Salam/Saham group and related companies	Acquistion cost	-	-	(163,221)	(97,685)
		-	-		
Salam/Saham group and related companies	Claims	(188,906)	(1,576)	(167,621)	(342,167)
		203,405	545,509	213,229	4,171

Loans and advances to related parties

The following facilities were due from the Managing Director (MD)/Chief Executive Officer and Executive Director (ED) at the end of the year:

	MD =N='000	ED =N='000	2021 =N='000	2020 =N='000
Mortgage loan	-	-	-	-
Personal loan	21,857	-	21,857	2,250
	21,857	-	21,857	2,250

These loans were given in line with the conditions of service of the Directors under the terms of the mortgage loan, repayment is to be made over the mortgage period. The personal loan is salary advance

The carrying amounts of loans and advances to related parties as disclosed above approximate fair value at the reporting date. There was no allowance for impairment on them at the reporting date and no bad debt expense in the year (2020: Nil).

36 Related party transactions (continued)

Compensation of key management personnel

The summary of compensation of key management personnel for the year is , as follows:

Short-term employee benefits:	**Group Dec. 2021 =N='000**	**Group Dec. 2020 =N='000**	**Company Dec. 2021 =N='000**	**Company Dec. 2020 =N='000**
Salaries and allowances	851,663	769,837	695,421	507,452
Post employment benefits:				
Gratuity benefits paid	284,342	85,488	284,342	85,488
Pension contribution	79,001	70,584	62,349	70,584
	1,215,006	**925,909**	**1,042,112**	**663,524**

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Group Dec. 2021 =N='000	**Group Dec. 2020 =N='000**	**Company Dec. 2021 =N='000**	**Company Dec. 2020 =N='000**
Short term employee benefits	288,872	353,357	288,872	353,357
Post employment benefits:				
Gratuity benefits paid	-	-	-	-
Pension contribution	7,707	8,660	7,707	8,660
	296,579	362,016	296,579	362,016

The number of directors who received fees and other emoluments (excluding pension contributions and certain benefit) in the following ranges was:

	Number	**Number**	**Number**	**Number**
Below =N=1,000,000	-	-	-	-
=N=1,000,001 - =N=4,000,000	-	-	-	-
=N=4,000,001 - =N=7,000,000	5	5	-	-
=N=7,000,001 - =N=10,000,000	7	7	6	7
=N=10,000,001 and above	2	3	3	3
	14	15	9	10

37 Contingencies and commitments

Contingent liabilities
There were no contingent liabilities at the end of the year (2020: Nil).

Capital commitment and operating leases
There were no capital commitments at the end of the year (2020: Nil).

38 Compliance with regulatory bodies

Penalties:	**2021 =N='000**	**2020 =N='000**
The Company contravened certain sections of the Financial Reporting Council of Nigeria (FRCN) Act 2011	5,000	-
	5,000	-

39 Events after reporting date

There were no events after reporting date which would have a material effect on the state of affairs of the Group as at 31 December 2021 or the profit for the year then ended that have not been adequately provided for or disclosed.

40 Admissible assets

The admissible assets representing insurance contract liabilities are included in the consolidated statement of financial position as follows:

	Non-life		Life	
	=N='000	=N='000	=N='000	=N='000
Cash and cash equivalents:				
Cash and bank balances	-			
Bank placements	6,786,941		312,265	
Total cash and cash equivalents		6,786,941		312,265
Investment properties		1,817,000		9,200
Retrocession assets	-	6,025,825	-	235,853
Investment securities:				
Quoted equities	417,190		174,943	
Corporate Bonds	1,732,022		-	
Government bonds and treasury bills	7,562,273		1,941,369	
Total investment securities		9,711,486		2,116,312
Total assets representing insurance contract liabilities		24,341,252		2,673,631
Total insurance contract liabilities		22,730,632		2,669,470
Excess of assets over liabilities		1,610,620		4,161
		107%		**100%**

41 Segment information

For management reporting purposes, the Company is organised into business units based on Life and Non-Life products and geography (regions).

Life assurance business can be either Individual or Group and covers the mortality aspect of the life contract which is annual. Revenue from this segment is derived mainly from reassurance premium and becomes fully earned after the year of cover.

The Non-Life reinsurance business covers general insurance to individuals and businesses. The general insurance products covered include motor, household, commercial and business interruption insurance, and indemnification of other parties that suffer damage resulting from the policyholders' accident, e.g., employees' liability claims.

Also, segment information is presented in respect of the company's geographic segments.

The Executive board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance and reporting is based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, income taxes are not allocated to operating segments.

Group **31 December 2021**	**Notes**	**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
Gross Premium	1.1	5,648,442	64,736,634	70,385,076
Change in Reserve for unearned premium	24.3	(813,589)	(5,400,355)	(6,213,944)
Earned premium income	1.1	4,834,854	59,336,279	64,171,132
Less: Retrocession costs		(561,833)	(13,846,198)	(14,408,031)
Net insurance premium revenue	1.2	4,273,021	45,490,080	49,763,101
Commission earned under retrocession arrangements		220,775	3,513,010	3,733,785
Underwriting income		4,493,796	49,003,090	53,496,886
Expenses				
Gross claims paid		2,609,396	18,736,186	21,345,582
Change in Reserve for outstanding claims		294,250	7,530,359	7,824,609
Ceded Outstanding Claims Reserve		18,551	2,855,849	2,874,400
Claims incurred	2.1	2,922,197	29,122,394	32,044,591
Retrocession recoveries	2.1	(266,083)	(5,513,656)	(5,779,740)
Net claims incurred	2.1	2,656,114	23,608,739	26,264,851
Underwriting expenses:				
Acquisition and maintenance cost		1,474,422	16,387,958	17,862,380
Depreciation and amortisation	6.2	57,412	300,068	357,480
Management expenses		390,329	4,593,418	4,983,747
		1,922,163	21,281,444	23,203,607
Underwriting profit		(84,481)	4,112,908	4,028,428
Investment and other income		221,690	3,475,384	3,697,073
Foreign exchange gain	5.1	17,648	1,124,925	1,142,574
Administrative expenses	6.2	(195,145)	(1,827,877)	(2,023,022)
Impairment of assets	6	26,895	(205,159)	(178,264)
Results of operating activities		(13,394)	6,680,180	6,666,789
Income tax expense	8	(2,431)	(1,215,533)	(1,217,964)
Profit for the year		(15,825)	5,464,647	5,448,825
Segment assets		2,673,631	103,135,086	105,808,717
Segment liabilities		2,669,470	59,909,185	62,578,655

Group **31 December 2020**		**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
Gross Premium	1.1	4,690,027	48,946,889	53,636,916
Change in Reserve for unearned premium	24.3	69,282	(1,425,111)	(1,355,829)
Earned premium income	1.1	4,759,309	47,521,778	52,281,087
Less: Retrocession costs		(892,285)	(12,396,916)	(13,289,201)
Net insurance premium revenue	1.2	3,867,024	35,124,862	38,991,886
Commission earned under retrocession arrangements		330,746	2,955,964	3,286,710
Underwriting income		4,197,770	38,080,826	42,278,596
Expenses				
Gross claims paid		2,344,946	15,914,237	18,259,183
Change in Reserve for outstanding claims		55,363	5,813,176	5,868,539
Ceded Outstanding Claims Reserve		(54,419)	2,358,237	2,303,818
Claims incurred	2.1	2,345,890	24,085,650	26,431,540
Retrocession recoveries	2.1	(251,717)	(5,728,176)	(5,979,893)
Net claims incurred	2.1	2,094,174	18,357,474	20,451,647
Underwriting expenses:				
Acquisition and maintenance cost		1,543,380	12,851,797	14,395,177
Depreciation and amortisation	6.2	43,461	282,692	326,153
Management expenses		459,642	3,906,922	4,366,564
		2,046,482	17,041,412	19,087,894
Underwriting profit		57,114	2,681,941	2,739,055
Underwriting profit/(loss) brought forward		57,114	2,681,941	2,739,055
Investment and other income		205,268	2,870,869	3,076,137
Foreign exchange gain	5.1	16,341	772,938	789,280
Administrative expenses	6.2	(180,689)	(1,030,390)	(1,211,079)
Impairment of assets	6.3	(20,721)	(545,658)	(566,379)
Results of operating activities		77,311	4,749,701	4,827,013
Income tax expense	8	(293)	(1,399,463)	(1,399,756)
Profit for the year		77,018	3,350,238	3,427,257
Segment assets		2,267,858	81,487,963	83,755,821
Segment liabilities		2,002,398	44,266,517	46,268,915

Company	**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
31 December 2021			
Gross Premium	4,531,862	30,394,126	34,925,988
Change in Reserve for unearned premium	(675,065)	(3,628,742)	(4,303,807)
Earned premium income	3,856,797	26,765,384	30,622,181
Less: Retrocession costs	(459,423)	(4,167,923)	(4,627,346)
Net insurance premium revenue	3,397,374	22,597,461	25,994,835
Commission earned under retrocession arrangements	174,789	799,402	974,191
Underwriting income	3,572,163	23,396,863	26,969,026
Expenses			
Gross claims paid	1,504,870	12,173,418	13,678,288
Change in Reserve for outstanding claims	(7,993)	5,795,253	5,787,260
Ceded Outstanding Claims Reserve	9,510	(634,433)	(624,922)
Claims incurred	1,506,387	17,334,239	18,840,626
Retrocession recoveries	(180,584)	(2,971,478)	(3,152,062)
Net claims incurred	1,325,803	14,362,761	15,688,564
Underwriting expenses:			
Acquisition and maintenance cost	1,264,512	6,795,200	8,059,712
Depreciation and amortisation	39,259	268,680	307,939
Management expenses	341,823	2,259,300	2,601,123
	1,645,594	9,323,180	10,968,773
Underwriting profit	600,766	(289,077)	311,690
Investment and other income	134,716	1,317,916	1,452,632
Foreign exchange gain	15,465	899,120	914,585
Administrative expenses	(119,593)	(1,182,280)	(1,301,873)
Impairment of assets	9,918	70,348	80,266
Results of operating activities	641,273	816,027	1,457,300
Income tax expenses	(2,123)	(121,229)	(123,352)
Profit for the year	639,150	694,799	1,333,948
Segment Assets	2,673,631	24,341,252	27,014,882
Segment liabilities	2,669,470	22,730,632	25,400,102

Company	**Life insurance =N='000**	**Non-life insurance =N='000**	**Total segments =N='000**
31 December 2020			
Gross Premium	3,840,651	23,884,908	27,725,559
Change in Reserve for unearned premium	51,465	(366,410)	(314,945)
Earned premium income	3,892,116	23,518,498	27,410,614
Less: Retrocession costs	(499,719)	(5,159,122)	(5,658,841)
Net insurance premium revenue	3,392,397	18,359,376	21,751,773
Commission earned under retrocession arrangements	158,299	947,771	1,106,070
Underwriting income	3,550,696	19,307,147	22,857,843
Expenses			
Gross claims paid	1,904,100	8,549,093	10,453,194
Change in Reserve for outstanding claims	121,485	5,293,379	5,414,864
Ceded Outstanding Claims Reserve	55,705	(634,433)	(578,728)
Claims incurred	2,081,290	13,208,040	15,289,330
Retrocession recoveries	(228,492)	(2,384,452)	(2,612,944)
Net claims incurred	1,852,798	10,823,588	12,676,386
Underwriting expenses:			
Acquisition and maintenance cost	1,290,745	6,173,019	7,463,764
Depreciation and amortisation	37,390	183,864	221,254
Management expenses	334,985	2,154,352	2,489,337
	1,663,119	8,511,236	10,174,354
Underwriting profit	34,780	(27,676)	7,104
Investment and other income	123,593	2,403,894	2,527,487
Foreign exchange gain	14,188	403,139	417,327
Administrative expenses	(109,718)	(864,588)	(974,306)
Impairment of assets	(14,808)	(410,724)	(425,532)
Results of operating activities	48,035	1,504,046	1,552,080
Income tax expenses	(293)	(379,920)	(380,213)
Profit for the year	47,742	1,124,127	1,171,867
Segment Assets	2,267,858	18,959,016	21,226,875
Segment liabilities	2,002,398	15,436,429	17,438,827

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2021 is as follows:

	Nigeria =N='000	Cameroon =N='000	Kenya =N='000	Abidjan =N='000	Tunis =N='000	Botswana =N='000	Total =N='000	Eliminations =N='000	Consolidated =N='000
Group									
Gross premium	26,947,492	2,455,192	22,241,773	4,422,008	7,978,496	8,067,032	72,111,993	(1,726,918)	70,385,076
Change in reserve for unearned premium	(3,712,818)	(30,644)	(2,039,191)	(242,527)	(590,989)	402,226	(6,213,943)	-	(6,213,944)
Earned premium income	23,234,674	2,424,547	20,202,582	4,179,482	7,387,507	8,469,258	65,898,050	(1,726,918)	64,171,132
Retrocession costs	(3,813,421)	(950,411)	(3,802,515)	(1,796,139)	(813,925)	(4,958,538)	(16,134,949)	1,726,918	(14,408,031)
Net insurance premium revenue	19,421,253	1,474,136	16,400,067	2,383,343	6,573,582	3,510,720	49,763,101	-	49,763,101
Commission earned under retrocession arrangements	880,305	96,359	776,487	444,913	93,886	1,441,835	3,733,785		3,733,785
Underwriting income	20,301,557	1,570,495	17,176,554	2,828,256	6,667,468	4,952,555	53,496,886	-	53,496,886
Expenses									
Gross claims incurred	14,904,639	1,040,356	7,964,714	2,243,812	3,935,987	2,665,082	32,754,590	(709,999)	32,044,591
Retrocession recoveries	(3,023,317)	(803,480)	(190,547)	(846,832)	(128,745)	(1,496,818)	(6,489,739)	709,999	(5,779,740)
Net claims incurred	11,881,321	236,876	7,774,167	1,396,979	3,807,242	1,168,264	26,264,851	-	26,264,851
Underwriting expenses:									
Acquisition and maintenance cost	6,265,313	608,843	5,908,032	959,520	1,794,400	2,326,273	17,862,381	-	17,862,380
Depreciation and amortisation	300,511	18,039	12,139	27,158	7,428	6,657	371,932	(14,452)	357,480
Management expenses	1,937,643	388,326	1,077,168	347,948	663,480	554,729	4,969,294	14,452	4,983,747
	8,503,468	1,015,208	6,997,339	1,334,626	2,465,306	2,887,659	23,203,607	-	23,203,606
Underwriting profit	(83,232)	318,412	2,405,048	96,650	394,920	896,632	4,028,428	-	4,028,430
Investment Income & other income	1,395,561	836,519	1,121,397	124,520	57,071	162,004	3,697,071	-	3,697,072
Foreign exchange gain/(loss)	914,585	(5,926)	96,758	(693)	-	146,535	1,151,259	(8,685)	1,142,574
Administrative expenses	(1,004,473)	(128,713)	(352,647)	(118,812)	(297,400)	(120,977)	(2,023,023)	-	(2,023,022)
Impairment of financial assets	64,180	(322,905)	(281,217)	414,932	16,086	(69,340)	(178,264)	-	(178,264)
Results of operating activities	1,286,621	697,386	2,989,339	516,597	170,678	1,014,854	6,675,471	(8,685)	6,666,790
Income tax expenses	(106,584)	(55,050)	(813,075)	(4,422)	(16,768)	(222,065)	(1,217,964)	-	(1,217,964)
Profit for the year	1,180,036	642,336	2,176,264	512,175	153,910	792,789	5,457,507	(8,685)	5,448,826
Segment assets	57,888,868	17,220,821	27,110,058	-	-	13,188,852	115,408,599	(9,599,880)	105,808,718
Segment liabilities	30,032,280	10,792,375	16,903,985	-	-	8,326,785	66,055,425	(3,476,770)	62,578,655

The segment information provided to the Company Executive Board for the reportable segments for the year ended 31 December 2020 is as follows:

	Nigeria =N='000	Cameroon =N='000	Kenya =N='000	Abidjan =N='000	Tunis =N='000	Botswana =N='000	Total =N='000	Eliminations =N='000	Consolidated =N='000
Group									
Gross premium	22,451,503	2,511,204	13,078,903	2,889,330	5,274,056	7,984,842	54,189,838	(552,923)	53,636,916
Change in reserve for unearned premium	(319,324)	(228,887)	(368,402)	536,537	4,380	(980,132)	(1,355,828)	-	(1,355,829)
Earned premium income	22,132,179	2,282,317	12,710,501	3,425,867	5,278,436	7,004,710	52,834,010	(552,923)	52,281,087
Retrocession costs	(4,759,379)	(1,019,777)	(2,774,167)	(1,421,837)	(899,462)	(2,967,502)	(13,842,124)	552,923	(13,289,201)
Net insurance premium revenue	17,372,800	1,262,540	9,936,334	2,004,030	4,378,974	4,037,208	38,991,886	-	38,991,887
Commission earned under retrocession arrangements	1,024,671	174,990	987,642	306,751	81,399	711,257	3,286,710		3,286,710
Underwriting income	18,397,470	1,437,530	10,923,976	2,310,782	4,460,373	4,748,465	42,278,596	-	42,278,597
Expenses									
Gross claims incurred	12,045,166	853,948	6,105,778	2,746,451	3,244,164	1,483,380	26,478,887	(47,347)	26,431,540
Retrocession recoveries	(1,961,310)	(419,522)	(962,912)	(1,640,987)	(651,634)	(390,875)	(6,027,240)	47,347	(5,979,893)
Ceded outstanding claims reserve							-	-	-
Claims incurred	10,083,856	434,427	5,142,866	1,105,463	2,592,530	1,092,505	20,451,647	-	20,451,647
Retrocession recoveries							-	-	-
Net claims incurred	10,083,856	434,426	5,142,866	1,105,463	2,592,529	1,092,505	20,451,647	-	20,451,647
Underwriting expenses:									
Acquisition and maintenance cost	6,069,532	590,425	3,663,271	693,691	1,394,233	1,984,027	14,395,179	-	14,395,178
Depreciation and amortisation	214,562	50,848	30,329	24,466	6,692	-745	326,153	-	326,153
Management expenses	1,980,410	270,135	811,315	281,889	508,927	513,886	4,366,562	-	4,366,563
	8,264,505	911,409	4,504,915	1,000,046	1,909,850	2,497,168	19,087,894	-	19,087,893
Underwriting profit	49,110	91,695	1,276,195	205,272	(42,006)	1,158,792	2,739,055	-	2,739,057
Investment Income & other income	2,484,398	549,676	813,296	144,458	43,089	94,818	4,129,735	(1,053,600)	3,076,136
Foreign exchange gain/(loss)	417,327	4,915	196,542	5,655	-	336,303	960,742	(171,462)	789,280
Administrative expenses	(788,970)	(107,698)	(296,332)	(99,413)	(185,336)	(96,622)	(1,574,372)	363,292	(1,211,079)
Impairment of financial assets	(522,337)	(71,728)	(57,556)	(82,527)	96,805	70,964	(566,379)	-	(566,379)
Results of operating activities	1,639,528	466,860	1,932,145	173,444	(87,448)	1,564,255	5,688,780	(861,770)	4,827,015
Income tax expenses	(307,888)	(118,021)	(553,937)	(2,007)	(72,325)	(345,578)	(1,399,756)	-	(1,399,756)
Profit for the year	1,331,640	348,839	1,378,208	171,437	(159,774)	1,218,677	4,289,024	(861,770)	3,427,259
Segment assets	49,349,754	14,198,586	18,261,115	-	-	11,779,408	93,588,863	(9,833,040)	83,755,822
Segment liabilities	22,796,587	8,877,446	10,547,532	-	-	7,757,278	49,978,843	(3,709,930)	46,268,913

42 Capital Management

Continental Reinsurance Plc capital management strategy focus on the creation of shareholders' value whilst meeting the crucial and equally important objective of providing an appropriate level of capital to protect stakeholders' interests and satisfy regulators.

The Group's objectives when managing capital are as follows:
To ensure that capital is, and will continue to be, adequate for the safety, soundness and stability of the Company;
To generate sufficient capital to support the Company's overall business strategy;
To ensure that the Company meets all regulatory capital ratios and the prudent buffer required by the Board.

42.1 Solvency Margin

Solvency and the use of regulatory capital are monitored periodically by the company's management, employing techniques based on the guidelines developed by the NAICOM, for supervisory purposes. Regulatory capital requirements are designed to monitor capital adequacy and to protect policyholders.

The National Insurance Commission requires each registered insurance company to:

(a) hold the minimum level of the regulatory capital of N10billion and
(b) maintain a minimum ratio of either 15% of net premium or the amount of minimium capital requirement whichever is higher.

During the year under review, all businesses within the Group complied with the solvency margin regulation as stated by National Insurance Commission.

43 Management of financial and insurance risk

Continental Reinsurance Plc issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Group manages them.

43.1 Management of Insurance risk

Continental Reinsurance Plc defines Insurance risk as the risk of loss arising from inadequate pricing, from uncertainties relating to the occurrence, amount and timing of insurance liabilities or from adverse changes in claim reserves development.

Continental Reinsurance Plc provide covers in all classes of reinsurance basically, non-life and life treaty and facultative reinsurance.

The Group is exposed to underwriting risk through the reinsurance contracts that are underwritten. The risks within the underwriting risk arises from its products which include Accident, Energy, Marine, Liability and life, both individual and group life.

To manage this risk, the underwriting function is conducted in accordance with a set of guidelines, which are defined in line with the Group's risk appetite statement. This risk is further mitigated by increasing diversification by region and by class and also by a retrocession programme, which takes into account the Group's risk exposure profile by class of business.

Loss reserves are the largest liability on the statement of financial position and are inherently uncertain. Differences in actual losses and reserves can have a material impact on future profitability. The sensitivity of the reserves could be potentially significant given the nature of the assumptions and variables included in its estimation procedure.

The sensitivity analysis for insurance risk illustrates how reserves could fluctuate because of changes in assumptions included in its calculation at the reporting date.

The company has an in-house experienced actuarial team, which reviews reserves on a quarterly basis with the operations team. The company also carries out independent reserves reviews for both life and non-life Business.

The Company's insurance risk by region and by class is shown on the table below:

Insurance Risk By Region Group	**Gross written Premium (=N='000)**	**Ceded to Retrocessionaire (=N='000)**	**Net written Premium (=N='000)**	**Percentage (GWP) %**	**Percentage (Retro) %**
31 December 2021					
Anglophone west	25,220,574	(3,813,420.9)	21,407,154	36%	26%
Eastern Africa	22,241,773	(3,802,515.0)	18,439,258	32%	26%
Southern Africa	8,067,032	(3,231,620.3)	4,835,412	11%	22%
Central Africa	2,455,192	(950,411.2)	1,504,780	3%	7%
Northern Africa	7,978,496	(813,925.1)	7,164,571	11%	6%
Francophone West	4,422,008	(1,796,138.8)	2,625,871	6%	12%
Total	**70,385,075**	**(14,408,031)**	**55,977,045**	**100**	**100**
31 December 2020					
Anglophone west	22,451,503	(4,998,909.3)	17,452,593	32%	37%
Eastern Africa	13,078,903	(2,774,166.8)	10,304,737	19%	21%
Southern Africa	7,431,919	(2,414,579.7)	5,017,339	11%	18%
Central Africa	2,511,205	(1,019,776.7)	1,491,428	4%	8%
Northern Africa	5,274,056	(899,462.2)	4,374,594	7%	7%
Francophone West	2,889,330	(1,421,836.8)	1,467,494	4%	11%
Total	**53,636,916**	**(13,528,732)**	**40,108,185**	**100%**	**100%**

43.1 Management of Insurance risk (continued)

	Gross written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
Company					
31 December 2021					
Anglophone west	25,220,574	(3,813,421)	21,407,154	72%	72%
Eastern Africa	-	-	-	0%	0%
Southern Africa	1,726,918	(690,767)	1,036,151	5%	13%
Central Africa	-	-	-	0%	0%
Northern Africa	7,978,496	(813,925)	7,164,571	23%	15%
Francophone West	-	-	-	0%	0%
Total	**34,925,988**	**(5,318,113)**	**29,607,874**	**100%**	**100%**
31 December 2020					
Anglophone west	22,451,503	(4,998,909)	17,452,593	64%	85%
Eastern Africa	-	-	-	0%	0%
Southern Africa	-	-	-	0%	0%
Central Africa	-	-	-	0%	0%
Northern Africa	5,274,056	(899,462)	4,374,594	15%	15%
Francophone West	-	-	-	0%	0%
Total	**27,725,560**	**(5,898,372)**	**21,827,187**	**79%**	**100%**

The Group's insurance risk by product is shown on the table below:

Insurance Risk By Class Group	Gross Written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
31 December 2021					
Accident	15,726,247	(2,261,805)	13,464,441	22%	15%
Energy	3,415,777	(1,009,280)	2,406,497	5%	7%
Fire	26,733,219	(6,844,472)	19,888,746	38%	44%
Group Life	5,439,736	(536,788)	4,902,948	8%	3%
Individual Life	208,706	(25,045)	183,661	0%	0%
Liability	4,542,460	(818,082)	3,724,379	6%	5%
Engineering	8,309,200	(2,440,884)	5,868,316	12%	16%
Agriculture	1,348,931	(715,402)	633,529	2%	5%
Marine	4,660,800	(796,885)	3,863,915	7%	5%
Total	**70,385,076**	**(15,448,644)**	**54,936,432**	**100%**	**100%**
31 December 2020					
Accident	9,019,966	(2,869,282)	6,150,684	17%	21%
Energy	3,048,344	(1,233,868)	1,814,475	6%	9%
Fire	22,377,841	(5,539,481)	16,838,360	42%	41%
Group Life	4,450,561	(838,705)	3,611,857	8%	6%
Individual Life	239,465	(28,736)	210,730	0%	0%
Liability	2,764,863	(627,766)	2,137,097	5%	5%
Engineering	6,647,696	(1,085,531)	5,562,165	12%	8%
Agriculture	984,079	(341,783)	642,296	2%	3%
Marine	4,104,100	(963,580)	3,140,521	8%	7%
Total	**53,636,916**	**(13,528,732)**	**40,108,184**	**100%**	**100%**

	Gross Written Premium (=N='000)	Ceded to Retrocessionaire (=N='000)	Net Written Premium (=N='000)	Percentage (GWP) %	Percentage (Retro) %
Company					
31 December 2021					
Accident	3,791,012	(1,265,259)	2,525,753	11%	22%
Energy	3,391,013	(999,784)	2,391,229	10%	17%
Fire	13,986,342	(1,377,504)	12,608,838	40%	24%
Group Life	4,324,467	(489,199)	3,835,268	12%	9%
Individual Life	207,395	(24,887)	182,508	1%	0%
Liability	1,083,581	(70,530)	1,013,051	3%	1%
Engineering	4,153,551	(497,444)	3,656,107	12%	9%
Agriculture	810,342	(565,478)	244,864	2%	10%
Marine	3,178,285	(432,538)	2,745,748	9%	8%
Total	**34,925,988**	**(5,722,622)**	**29,203,367**	**100%**	**100%**
Company					
31 December 2020					
Accident	2,667,196	(1,134,764)	1,532,432	10%	22%
Energy	2,984,574	(1,209,339)	1,775,235	11%	23%
Fire	10,037,546	(1,209,339)	8,828,207	36%	23%
Group Life	3,648,619	(437,834)	3,210,784	13%	8%
Individual Life	192,033	(23,044)	168,989	1%	0%
Liability	528,699	(253)	528,446	2%	0%
Engineering	3,959,034	(281,042)	3,677,991	14%	5%
Agriculture	681,884	(271,881)	410,003	2%	5%
Marine	3,025,976	(674,984)	2,350,993	11%	13%
Total	**27,725,559**	**(5,242,479)**	**22,483,079**	**100%**	**100%**

43.1 Management of Insurance risk (continued)

The claims paid triangulations is presented below for the two businesses (i.e. Non-Life and Life) where triangulation methods were used. The triangulations is based on the Company's claims paid data as at 31 December 2021 which formed the basis of the results of the actuarial valuation of the insurance contract claims liabilities carried out by Zamara for the Non-Life and Life businesses respectively.

Group

Non-life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	1,762,195	3,052,130	3,603,160	3,981,836	4,068,587	4,667,565	5,377,520	6,032,170	6,065,802
2014	1,869,358	4,116,166	5,006,770	5,055,653	5,129,117	5,137,666	5,274,012	5,318,651	
2015	2,988,590	6,533,078	7,604,164	8,079,754	8,128,575	8,233,295	8,246,915		
2016	3,377,834	7,346,167	8,141,005	9,385,924	9,861,106	10,508,839			
2017	3,662,755	9,433,484	12,728,683	14,435,122	15,242,887				
2018	4,190,537	10,256,121	11,460,390	12,410,916					
2019	4,832,866	11,261,358	14,658,460						
2020	4,128,207	11,675,694							
2021	5,631,781								

Life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	-	-	117,680	152,263	153,717	159,767	160,726	161,118	161,118
2014	-	819,094	939,629	943,394	952,098	952,812	954,052	954,176	
2015	920,759	1,671,173	1,907,911	1,959,416	1,966,998	1,969,801	1,976,735		
2016	448,018	1,228,539	1,645,005	1,667,452	1,685,484	1,690,611			
2017	641,405	1,743,339	1,914,779	1,998,591	2,017,161				
2018	1,412,152	2,820,758	3,108,375	3,189,080					
2019	841,472	1,853,853	2,043,486						
2020	1,282,175	2,262,490							
2021	839,240								

43.1 Management of Insurance risk (continued)
Company
Non-life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	1,315,071	2,277,709	2,688,925	2,971,519	3,036,259	3,483,257	4,013,075	4,501,619	4,526,718
2014	1,384,710	3,049,012	3,708,719	3,744,928	3,799,346	3,805,679	3,906,675	3,939,742	
2015	2,197,493	4,803,734	5,591,297	5,940,995	5,976,893	6,053,893	6,063,908		
2016	2,465,572	5,362,166	5,942,339	6,851,040	7,197,888	7,670,686			
2017	2,654,170	6,835,858	9,223,683	10,460,233	11,045,571				
2018	3,014,775	7,378,505	8,244,885	8,928,717					
2019	3,452,047	8,043,827	10,470,329						
2020	2,927,807	8,280,634							
2021	3,991,256								

Life Claims development triangle

Underwriting Year	Development								
	0	1	2	3	4	5	6	7	8
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
2013	-	-	87,821	113,629	114,714	119,229	119,945	120,237	120,237
2014	-	606,736	696,022	698,810	705,258	705,786	706,705	706,797	
2015	677,029	1,228,804	1,402,876	1,440,747	1,446,322	1,448,383	1,453,482		
2016	327,020	896,744	1,200,733	1,217,118	1,230,280	1,234,023			
2017	464,786	1,263,289	1,387,521	1,448,254	1,461,711				
2018	1,015,936	2,029,322	2,236,241	2,294,302					
2019	601,052	1,324,180	1,459,633						
2020	909,344	1,604,603							
2021	595,199								

43.1.1 Sensitivity analysis of insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non–linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Life insurance contract liabilities

The sensitivity analysis also indicates that an increase of Ultimate loss ratio by 5% will lead to an additional Life fund liability of N270m million whilst a reduction by 5% will result in a reduction of Life fund liability by N137 million.

Non-life insurance contract liabilities

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary provides valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the insurance contract liabilities balance would change if we were to consider the effects of changes to the ultimate premium and ultimate loss ratio as opposed to our best estimate figures included in reserve reviews of the Company as at 31 December 2021. The effects of these changes are as follows:

	Ultimate Premium			**Ultimate Loss Ratio (ULR)**		
	Best estimate	Effects of 5% decrease	Effects of 5% increase	**Best estimate**	Effects of 5% decrease	Effects of 5% increase
Class of business	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Accident	1,834,078	2,437,318	1,676,159	766,403	901,282	631,524
Agriculture	292,528	335,328	271,458	240,868	294,580	187,157
Energy	824,727	910,871	773,011	714,321	1,157,451	318,390
Engineering	1,551,265	1,760,356	1,419,393	1,494,433	1,871,864	1,117,713
Fire	4,262,733	4,712,657	3,830,426	7,963,623	8,745,382	7,181,865
Liability	184,590	200,646	170,778	424,992	493,593	356,390
Marine	1,682,491	1,922,253	1,516,498	493,581	602,908	384,254
Life	1,982,878	2,202,443	1,781,444	686,592	823,760	553,648
Total	**12,615,291**	**14,481,871**	**11,439,165**	**12,784,813**	**14,890,819**	**10,730,942**

43.2 Financial risk management

The Group is exposed to a range of financial risks through its financial assets and liabilities.

The Group's principal financial instruments are cash and cash equivalents, loans and receivables including reinsurance receivables, investment securities held to maturity, investment securities available-for-sale, financial asset designated at fair value through profit and loss and retrocession contracts.

In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts.

The main risks arising from these financial instruments are interest rate risk, foreign currency risk, credit risk, market price risk and liquidity risk. The Board reviews and approves an investment policy to manage these risks on an annual basis.

The following tables indicate the contractual timing of cash flows arising from financial instruments:

Group **At 31 December 2021**	**Carrying amount** **=N='000**	**0 - 90 days** **=N='000**	**91 - 180 days** **=N='000**	**180 - 365 days** **=N='000**	**over one year** **=N='000**
Financial assets					
Cash and cash equivalents	16,239,808	14,214,531	530,585	1,494,692	(0)
Reinsurance receivables	31,333,426	4,989,525	6,460,254	4,074,777	15,808,870
Loans and other receivables	264,732	65,906	8,544	92,173	98,110
Retrocession assets	16,046,933	3,158,493	1,052,831	2,075,141	9,760,469
Other assets	196,548	43,563	96,343	56,642	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - *held to maturity*					-
Listed	24,231,489	469,214	2,484,125	656,024	20,622,126
Unlisted	0	-	-	-	-
Debt Securities - *available for sale*					-
Listed	-	-			-
Equities - *available for sale*					-
Listed	593,401				593,401
Unlisted	575,163				575,163
Statutory deposits	1,000,000	-	-	-	1,000,000
	90,481,500	22,941,231	10,632,682	8,449,449	48,458,138
Financial liabilities					
Other liabilities	1,200,562	380,928	430,567	389,066	-
Reinsurance creditors	4,561,180	4,561,180	-	-	-
	5,761,742	4,942,108	430,567	389,066.44	-

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent

43.2 Financial risk management (continued)

The following tables indicate the contractual timing of cash flows arising from financial instruments risk:

Group **At 31 December 2020**	**Carrying amount** **=N='000**	**0 - 90 days** **=N='000**	**91 - 180 days** **=N='000**	**180 - 365 days** **=N='000**	**over one year** **=N='000**
Financial assets					
Cash and cash equivalents	19,015,116	17,183,866	792,547	1,038,703	0
Reinsurance receivables	24,499,743	5,606,208	7,258,712	4,578,402	7,056,422
Loans and other receivables	315,892	74,051	9,600	103,565	128,676
Retrocession assets	9,513,117	3,715,874	1,238,625	2,441,342	2,117,276
Other assets	616,228	616,228	-	-	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - held to maturity					-
Listed	13,744,039	837,454		533,049	12,373,536
Unlisted	0	-	-	-	-
Debt Securities - available for sale					-
Listed	-	-			-
Equities - available for sale					-
Listed	583,652				583,652
Unlisted	607,946				607,946
Statutory deposits	1,000,000	-	-	-	1,000,000
Non financial assets					
Investment properties		-	-	-	-
	69,895,733	28,033,680	9,299,484	8,695,060	23,867,508
Financial liabilities					
Other liabilities	940,563	507,904	432,659	-	-
Reinsurance creditors	4,218,493	4,218,493	-	-	-
	5,159,056	4,726,397	432,659	-	-

Company **At 31 December 2021**	**Carrying amount** **=N='000**	**0 - 90 days** **=N='000**	**91 - 180 days** **=N='000**	**180 - 365 days** **=N='000**	**over one year** **=N='000**
Financial assets					
Cash and cash equivalents	9,466,791	9,174,358	292,433	-	0
Reinsurance receivables	12,279,107	3,970,335	2,754,267	1,741,720	3,812,785
Loans and other receivables	175,325	42,579	5,520	59,550	67,676
Retrocession assets	6,261,679	2,825,070	865,342	1,342,738	1,228,529
Other assets	2,851,228	2,851,228	-	-	-
Debt Securities - *Held to maturity*					-
Listed	11,235,664	99,806	1,704,569	83,894	9,347,395
Unlisted	0	-	-	-	-
Debt Securities - *available for sale*					-
Listed	0	0			-
Equities - *available for sale*					-
Listed	593,401				593,401
Unlisted	575,163				575,163
Statutory deposits	1,000,000	-	-	-	1,000,000
	44,438,358	18,963,377	5,622,130	3,227,902	16,624,948
Financial liabilities					
Other liabilities	1,558,923	540,357	237,891	564,333	216,342
Reinsurance creditors	1,795,850	1,795,850	-	-	-
	3,354,773	2,336,207	237,891.43	564,333.00	216,341.58

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent

43.2 Financial risk management (continued)

Company **At 31 December 2020**	**Carrying amount =N='000**	**0 - 90 days =N='000**	**91 - 180 days =N='000**	**180 - 365 days =N='000**	**over one year =N='000**
Financial assets					
Cash and cash equivalents	11,474,010	11,361,448	76,415	36,147	0
Reinsurance receivables	9,996,802	4,093,129	2,839,450	1,795,588	1,268,635
Loans and other receivables	178,573	46,282	6,000	64,728	61,563
Retrocession assets	4,123,793	1,072,421	-	1,525,839	1,525,533
Other assets	3,136,778	3,136,778	-	-	-
Financial asset designated at fair value	0	-	-	-	-
Debt Securities - Held to maturity					0
Listed	5,564,847	195,352	-	270,081	5,099,414
Unlisted	0	-	-	-	-
Debt Securities - available for sale					0
Listed	0	-			-
Statutory deposits	1,000,000	-	-	-	1,000,000
	36,666,401	19,905,411	2,921,865	3,692,382	10,146,743
Financial liabilities					
Other liabilities	1,286,504	1,182,224	104,280	-	-
Reinsurance creditors	2,406,354	2,406,354	-	-	-
	3,692,858	3,588,578	104,280	-	-

Note: Other assets excludes prepayments whilst other liabilities exclude statutory deductions and rent
Please refer to the maturity profile table on Note 42.2.2 on Liquidity risks, for the maturity analysis of financial instruments only.

Maturity analysis on expected maturity basis

Group **At 31 December 2021**	**Current =N='000**	**Non-current =N='000**	**Total =N='000**
Cash and cash equivalents	16,239,808	-	16,239,808
Financial asset designated as fair value	-	-	-
Loans and other receivables	166,622	98,110	264,732
Available-for-sale investments	593,400	595,753	1,189,153
Held to maturity investments	3,609,364	20,622,126	24,231,490
Reinsurance receivables	15,524,556	15,808,870	31,333,426
Retrocession assets	16,046,933	-	16,046,933
Deferred acquisition costs	7,036,111	-	7,036,111
Other assets	389,003	-	389,003
Investment properties	-	4,925,062	4,925,062
Intangible assets	-	121,470	121,470
Property, plant and equipment	-	2,874,626	2,874,626
Statutory deposits	-	1,000,000	1,000,000
Total assets	59,605,797	46,046,017	105,651,813
Liabilities			
Insurance contract liabilities	54,569,505	-	54,569,505
Reinsurance creditors	4,561,180	-	4,561,180
Other liabilities	1,323,252	-	1,323,252
Retirement benefit obligations	-	542,746	542,746
Current income tax	1,317,178	-	1,317,178
Deferred taxation	-	62,214	62,214
Total liabilities	61,771,115	604,960	62,376,075
Net maturity mismatch	*(2,165,318)*	*45,441,057*	*43,275,738*

43.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

Group	**Current**	**Non-current**	**Total**
At 31 December 2020	**=N='000**	**=N='000**	**=N='000**
Cash and cash equivalents	19,015,116	-	19,015,116
Financial asset designated as fair value	-	-	-
Loans and other receivables	206,392	109,500	315,892
Available-for-sale investments	607,717	619,664	1,227,381
Held to maturity investments	1,370,503	12,373,536	13,744,039
Reinsurance receivables	22,089,337	2,410,406	24,499,743
Retrocession assets	9,513,117	-	9,513,117
Deferred acquisition costs	5,393,915	-	5,393,915
Other assets	758,749	-	758,749
Investment properties	-	4,998,800	4,998,800
Intangible assets	-	131,899	131,899
Property, plant and equipment	-	3,022,526	3,022,526
Statutory deposits	-	1,000,000	1,000,000
Total assets	58,954,847	24,666,331	83,621,177
Liabilities			
Insurance contract liabilities	38,842,258	-	38,842,258
Reinsurance creditors	4,218,493	-	4,218,493
Other liabilities	1,232,859	-	1,232,859
Retirement benefit obligations	-	670,301	670,301
Current income tax	800,776	-	800,776
Deferred taxation	-	343,329	343,329
Total liabilities	45,094,386	1,013,630	46,108,016
Net maturity mismatch	*13,860,461*	*23,652,701*	*37,513,161*

Company			
At 31 December 2021			
Cash and cash equivalents	9,466,791	-	9,466,791
Financial asset designated as fair value	-	-	-
Loans and other receivables	114,630	60,695	175,325
Available-for-sale investments	593,400	575,163	1,168,563
Held to maturity investments	1,888,269	9,347,395	11,235,664
Reinsurance receivables	8,466,322	3,812,785	12,279,107
Retrocession assets	6,261,679	-	6,261,679
Deferred acquisition costs	3,548,781	-	3,548,781
Other assets	2,929,146	-	2,929,146
Investment properties	-	1,826,200	1,826,200
Intangible assets	-	121,470	121,470
Property, plant and equipment	-	1,752,803	1,752,803
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	6,123,109	6,123,109
Total assets	33,269,018	24,619,620	57,888,638
Liabilities			
Insurance contract liabilities	25,400,102	-	25,400,102
Reinsurance creditors	1,795,850	-	1,795,850
Other liabilities	1,605,133	-	1,605,133
Retirement benefit obligations	-	384,408	384,408
Current income tax	536,867	-	536,867
Deferred taxation	-	287,149	287,149
Total liabilities	29,337,952	671,557	30,009,509
Net maturity mismatch	*3,931,066*	*23,948,063*	*27,879,129*

43.2 Financial risk management (continued)

Maturity analysis on expected maturity basis (continued)

Company **At 31 December 2020**	**Current** **=N='000**	**Non-current** **=N='000**	**Total** **=N='000**
Cash and cash equivalents	11,474,010	-	11,474,010
Financial asset designated as fair value	-	-	-
Loans and other receivables	120,942	57,631	178,573
Available-for-sale investments	582,407	609,191	1,191,598
Held to maturity investments	465,433	5,099,414	5,564,847
Reinsurance receivables	8,728,167	1,268,635	9,996,802
Retrocession assets	4,123,793	-	4,123,793
Deferred acquisition costs	2,388,974	-	2,388,974
Other assets	3,232,081	-	3,232,081
Investment properties	-	2,146,000	2,146,000
Intangible assets	-	131,891	131,891
Property, plant and equipment	-	1,792,256	1,792,256
Statutory deposits	-	1,000,000	1,000,000
Investment in subsidiary	-	6,123,109	6,123,109
Total assets	31,115,807	18,228,127	49,343,934
Liabilities			
Insurance contract liabilities	17,438,827	-	17,438,827
Reinsurance creditors	2,406,354	-	2,406,354
Other liabilities	1,515,783	-	1,515,783
Retirement benefit obligations	-	507,614	507,614
Current income tax	601,185	-	601,185
Deferred taxation	-	313,458	313,458
Total liabilities	21,962,149	821,072	22,783,221
Net maturity mismatch	*9,153,658*	*17,407,055*	*26,560,713*

43.2.1 Sensitivities

The sensitivity analysis below are based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in interest rate and change in market values.

(a) Sensitivity analysis - interest rate risk

The Group defines interest rate risk as the risk of loss arising from changes in interest rates that will affect future profitability or fair values of financial instruments. The Group is exposed to this risk on some of its investments and mitigates this risk by actively monitoring changes in interest rate in all countries where it has cash and interest-bearing investments.

The sensitivity analysis for interest rate risk illustrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

A 100 basis point movement in interest rates will result in additional gross interest income or loss for the Group of =N=136.142 million and Company =N=74.409 million (2020: Group =N=136. million and Company =N=92.87 million).

(b) Sensitivity analysis - Market price risk

Market risk is the risk that the value of a financial asset will fluctuate as a result of change in market prices (other than those arising from interest rate risk and currency risk) whether those changes are caused by factors specific to the individual security or its issuer or factors affecting the all securities traded in a market.

The Group equity price risk exposure relates to financial assets whose value fluctuate as a result of changes in market prices. The Group also has unquoted equities classified as available-for-sale whose fair value is determined using a valuation technique because of the lack of active market for these instruments.

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market.

(b) Sensitivity analysis - Market price risk (continued)
A 1% movement in market prices will result in an unrealised gain or loss for the Group of =N=11.89 million and Company =N=11.686 million (December 2019: Group =N=12.274 million, Company =N=11.915

Management monitors movements of financial assets and equity price risk movements on a monthly basis by assessing the expected changes in the different portfolios due to parallel movements of a 1% increase or decrease in the Nigeria All share index with all other variables held constant and all the Group's equity instruments in that particular index moving proportionally.

(c) Sensitivity analysis - foreign currency risk

Foreign currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group carries out an asset liability matching exercise to ensure an adequate currency match between assets and liability so that any net movement in currency is minimal on the financial statements.

A 1% movement in foreign exchange rate in USD against the Naira will result in =N=478.827 million gain or loss for the Group and Company of =N=200.8 million (2020: Group =N=305.025 million and Company =N=172.142). In Euro, Group =N=4.382 million and Company =N=1.806 million (2020: Group =N=3.33 million and Company =N=1.02 million). And in other currencies, Group =N=241.129 million and Company =N=41.91 million (2020: Group =N=262.411 million and Company =N= 35.096 million).

In addition, the Group's retrocession programme is denominated in US dollars and provides a stable hard currency platform to hedge against the fluctuations of the various African currencies. The following table analyses the group's exposure to foreign currency risk:

Group	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
At 31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Assets						
Cash and cash equivalents	3,420,395	7,675,331	95,296	2,779,661	2,269,128	16,239,810
Reinsurance receivables	7,981,420	5,786,648	342,982	2,838,766	14,383,611	31,333,426
Investment securities	4,609,674	12,050,102	-	1,410,043	7,350,823	25,420,643
Loans and other receivables	124,481	-	-	56,343	83,908	264,732
Other assets	42,321	-	-	112,321	41,906	196,548
Retrocession assets	-	16,046,933	-	-	-	16,046,933
	16,178,290	41,559,014	438,278	7,197,134	24,129,375	89,502,092
Liabilities						
Other liabilities	1,323,252	-	-	-	-	1,323,252
	1,323,252	-	-	-	-	1,323,252
Net foreign currency exposure	14,855,038	41,559,014	438,278	7,197,134	24,129,375	88,178,840

31 December 2020	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
Assets	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Cash and cash equivalents	3,874,928	8,052,637	26,901	4,257,871	2,802,779	19,015,116
Reinsurance receivables	6,497,921	5,166,650	306,234	2,534,613	9,994,326	24,499,743
Investment securities	1,203,809	7,770,125	-	650,215	5,347,271	14,971,420
Loans and other receivables	126,787	-	-	64,564	124,541	315,892
Other assets	151,336	-	-	176,454	288,438	616,228
Retrocession assets	-	9,513,117	-	-	-	9,513,117
	11,854,780	30,502,528	333,135	7,683,717	18,557,355	68,931,516
Liabilities						
Other liabilities	1,232,859	-	-	-	-	1,232,859
	1,232,859	-	-	-	-	1,232,859
Net foreign currency exposure	10,621,920	30,502,528	333,135	7,683,717	18,557,355	67,698,657

Company	**Naira**	**USD**	**Euro**	**CFA**	**Others**	**Total**
At 31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Assets						
Cash and cash equivalents	3,420,395	5,184,396	95,296	-	766,704	9,466,791
Reinsurance receivables	7,981,420	1,445,954	85,342	-	2,766,392	12,279,107
Investment securities	4,609,674	7,187,929	-	-	606,624	12,404,227
Loans and other receivables	124,481	-	-	-	50,844	175,325
Other assets	2,851,228	-	-	-	-	2,851,228
Retrocession assets	-	6,261,679	-	-	-	6,261,679
	18,987,197	20,079,958	180,638	-	4,190,564	43,438,357
Liabilities						
Other liabilities	1,605,133	-	-	-	-	1,605,133
	1,605,133	-	-	-	-	1,605,133
Net foreign currency exposure	17,382,064	20,079,958	180,638	-	4,190,564	41,833,224

Company **31 December 2020**	**Naira** =N='000	**USD** =N='000	**Euro** =N='000	**CFA** =N='000	**Others** =N='000	**Total** =N='000
Assets						
Cash and cash equivalents	3,874,928	6,636,885	26,901	-	935,297	11,474,010
Reinsurance receivables	6,497,921	1,442,937	75,463	1,159,644	820,837	9,996,802
Investment securities	1,203,809	5,010,603	-	-	542,034	6,756,445
Loans and other receivables	126,787	-	-	-	51,786	178,573
Other assets	3,136,778	-	-	-	-	3,136,778
Retrocession assets	-	4,123,793	-	-	-	4,123,793
	14,840,222	17,214,217	102,364	1,159,645	2,349,953	35,666,401
Liabilities						
Other liabilities	1,515,783	-	-	-	-	1,515,783
	1,515,783	-	-	-	-	1,515,783
Net foreign currency exposure	13,324,439	17,214,217	102,364	1,159,645	2,349,953	34,150,618

43.2.2 Credit Risk

Credit Risk is the risk that a party to a financial instrument will fail to honor its obligations and cause the Group to incur a financial loss. Credit risk arises mainly from 3 sources: retrocession, reinsurance receivables and cash and investment securities.

On retrocession, the Group mitigates credit risk by applying minimum security standards for all its retrocession programmes in terms of the credit rating of the retrocessionaires, and the proportion ceded to each retrocessionaire. The Group has a diverse panel of retrocessionaires to avoid concentration risk. The credit rating profile of our retrocessionaires by product is shown below:

Credit Rating	**Fire and Engineering**	**Marine and Aviation**	**Motor, Accident and Liability**	**Energy**
A++	0%	0%	0%	0%
A+	24%	26%	3%	26%
A	55%	58%	10%	58%
A-	9%	17%	50%	17%
BBB+	7%	0%	33%	0%
BBB-	3%	0%	0%	0%
B++	1%	0%	0%	0%
B+	2%	0%	5%	0%
Total	100%	100%	100%	100%

The overdue premiums are considered by the Group on case by case basis. If an overdue premium is recognised by the Group as uncollectible, a notification is sent to the cedants(ceding companies) and the reinsurance agreement is assigned for monitoring from the date of notification. The uncollectible portion of the premium receivable are considered as impaired and charged through the profit or loss and comprehensive income

On insurance receivables, the Group has a credit control policy which is enforced by a credit control unit and which forms part of the underwriting process. In addition, the Group re-assesses its insurance receivables on a regular basis and makes adequate provisions based on ageing and credit quality. The table below shows the ageing of receivables:

Maximum exposure to credit risk before collateral held or other credit enhancements:	**Group 2021** =N='000	**Maximum Group 2020** =N='000	**Company 2021** =N='000	**Company 2020** =N='000
Cash and cash equivalents	16,239,808	19,015,116	9,466,791	11,474,010
Reinsurance receivables	31,333,426	24,499,743	12,279,107	9,996,802
Loans and other receivables	264,732	315,892	175,325	178,573
Debt securities	13,779,822	13,779,822	5,564,847	5,564,847
Total assets bearing credit risk	**61,617,788**	**57,610,573**	**27,486,070**	**27,214,232**

Credit quality of financial assets per asset class-Group

	Cash and cash equivalents =N='000	**Reinsurance receivables** =N='000	**Loans and other receivables** =N='000	**Debt securities** =N='000
At 31 December 2021				
Neither past due nor impaired	16,239,808	17,600,099	264,732	24,252,080
Past due but not impaired	-	-	-	-
Impaired	-	1,074,664	373,991	-
Gross	16,239,808	18,674,763	638,723	24,252,080
Impairment allowance - collective	-	(1,074,664)	(373,991)	-
Net	16,239,808	17,600,099	264,732	24,252,080
31 December 2020				
Neither past due nor impaired	19,015,116	14,695,486	315,892	13,779,822
Past due but not impaired	-	-	-	-
Impaired	-	1,054,904	373,991	373,991.00
Gross	19,015,116	15,750,389	689,883	14,153,813
Impairment allowance - collective	-	(1,054,904)	(373,991)	-
Net	19,015,116	14,695,486	315,892	14,153,813

43.2.2 Credit Risk

Credit quality of financial assets per asset class-Company

	Cash and cash equivalents =N='000	Reinsurance receivables =N='000	Loans and other receivables =N='000	Debt securities =N='000
At 31 December 2021				
Neither past due nor impaired	9,466,791	9,469,996	175,325	11,235,664
Past due but not impaired	-	1,930,748	-	-
Impaired	-	1,116,906	373,991	-
Gross	9,466,791	12,517,651	549,316	11,235,664
Impairment allowance - collective	-	(238,545)	(373,991)	-
Net	9,466,791	12,279,106	175,325	11,235,664
31 December 2020				
Neither past due nor impaired	11,474,010	6,997,435	178,573	6,756,445
Past due but not impaired	-	2,169,380	-	-
Impaired	-	1,084,375	373,991	-
Gross	11,474,010	10,251,190	552,564	6,756,445
Impairment allowance - collective	-	(254,388)	(373,991)	-
Net	11,474,010	9,996,802	178,573	6,756,445

(a) Financial assets neither past due nor impaired

The credit quality of the portfolio of insurance receivables and other loans and receivables, debt securities and other financial asset exposed to credit risk that were neither past due nor impaired can be assessed by reference to the capacity of the business to pay on written businesses. The Group does not rate any of its financial assets measured at amortised cost.

The assets above are analysed in the table below using Standard & Poors (S&P) rating (or equivalent when not available from S&P)

Group	A+ =N='000	A =N='000	BBB- =N='000	Below BBB =N='000	Not rated =N='000
At 31 December 2021					
Cash and cash equivalents	16,239,808	-	-	-	-
Reinsurance receivables	-	-	-	-	31,333,426
Loans and other receivables	-	-	-	-	264,732
Other assets	-	-	-	-	389,003
Retrocession assets	-	16,046,933	-	-	-
Debt securities	-	-	-	24,252,080	-
	16,239,808	16,046,933	-	24,252,080	31,987,161
31 December 2020					
Cash and cash equivalents	19,015,116	-	-	-	-
Reinsurance receivables	-	-	-	-	24,499,743
Loans and other receivables	-	-	-	-	315,892
Other assets	-	-	-	-	758,749
Retrocession assets	-	9,513,117	-	-	-
Debt securities	-	-	-	13,779,822	-
	19,015,116	9,513,117	-	13,779,822	25,574,384
Company					
At 31 December 2021					
Cash and cash equivalents	9,466,791	-	-	-	-
Reinsurance receivables	-	-	-	-	12,279,107
Loans and other receivables	-	-	-	-	175,325
Other assets	-	-	-	-	2,851,228
Retrocession assets	-	6,261,679	-	-	-
Debt securities	-	-	-	11,235,664	-
	9,466,791	6,261,679	-	11,235,664	15,305,660
31 December 2020					
Cash and cash equivalents	11,474,010	-	-	-	-
Reinsurance receivables	-	-	-	-	9,996,802
Loans and other receivables	-	-	-	-	178,573
Other assets	-	-	-	-	3,136,778
Retrocession assets	-	4,123,793	-	-	-
Debt securities	-	-	-	3,951,711	-
	11,474,010	4,123,793	-	3,951,711	13,312,153

(b) Age Analysis financial assets past due but not impaired

Group **At 31 December 2021**	**< 90 days =N='000**	**91-180 days =N='000**	**181-270 days =N='000**	**271-365 days =N='000**	**1-2 yr =N='000**	**2 years & above =N='000**
Reinsurance receivables-Life	665,174	628,653	92,187	43,523	33,243	-
Reinsurance receivables-Non Life	7,946,622	2,459,130	481,062	669,985	4,580,520	-
Total	**8,611,797**	**3,087,783**	**573,249**	**713,508**	**4,613,763**	**-**
Profile	**49%**	**18%**	**3%**	**4%**	**26%**	**0%**

Group **31 December 2020**	**< 90 days =N='000**	**91-180 days =N='000**	**181-270 days =N='000**	**271-365 days =N='000**	**1-2 yr =N='000**	**2 years & above =N='000**
Reinsurance receivables-Life	395,937	439,769	54,873	27,540	23,368	-
Reinsurance receivables-Non Life	5,000,701	2,844,464	495,940	690,706	4,722,186	-
Total	**5,396,639**	**3,284,233**	**550,814**	**718,246**	**4,745,554**	**-**
Profile	**37%**	**22%**	**4%**	**5%**	**32%**	**0%**

Company **At 31 December 2021**	**< 90 days =N='000**	**91-180 days =N='000**	**181-270 days =N='000**	**271-365 days =N='000**	**1-2 yr =N='000**	**2 years & above =N='000**
Reinsurance receivables-Life	395,779	374,351	54,851	27,529	23,359	33,242
Reinsurance receivables-Non Life	3,375,261	1,572,013	1,150,584	792,922	1,043,776	626,329
Total	**3,771,040**	**1,946,364**	**1,205,436**	**820,451**	**1,067,136**	**659,571**
Profile	**40%**	**21%**	**13%**	**9%**	**11%**	**7%**
31 December 2020						
Reinsurance receivables-Life	388,018	367,011	53,776	26,989	22,901	-
Reinsurance receivables-Non Life	586,549	1,620,632	1,186,169	301,981	1,488,429	954,978
Total	**974,568**	**1,987,643**	**1,239,945**	**328,971**	**1,511,330**	**954,978**
Profile	**14%**	**28%**	**18%**	**5%**	**22%**	**14%**

43.2.2.1 Concentration of credit risk

Concentration risk (including geographical risk) includes identification of the concentration of risks insured. Continental Reinsurance Plc utilize data analysis, software and market knowledge to determine the concentration of its risks by insurance class, geographic location, exposure to a client or business. The assessment of the concentration risk are consistent with the overall risk appetite as established by the Group.

Continental Reinsurance monitors concentration of credit risk by geographical and nature of business. An analysis of concentration of credit risk for reinsurance receivables are set out below:

(a) Geographical sectors

At 31 December	**Group 2021 =N='000**	**Group 2020 =N='000**	**Company 2021 =N='000**	**Company 2020 =N='000**
Nigeria	9,404,895	7,122,590	9,404,895	7,122,590
Cameroon+Abidjan	4,948,372	3,122,151	0	0
Kenya	9,182,859	6,630,361	0	0
Tunis	2,874,212	2,874,212	2,874,212	2,874,212
Gaborone	4,923,089	4,750,430	0	0
Total	**31,333,427**	**24,499,744**	**12,279,107**	**9,996,802**

(b) Business Class

At 31 December	**Group 2021 =N='000**	**Group 2020 =N='000**	**Company 2021 =N='000**	**Company 2020 =N='000**
Life operation	1,462,780	941,488	858,696	858,696
Non life Facultative	3,147,418	3,147,418	1,837,428	1,837,428
Non life Treaty	26,723,229	20,410,838	9,582,984	7,300,679
Total	**31,333,427**	**24,499,744**	**12,279,107**	**9,996,802**

43.2.2 Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its insurance liabilities as they fall due. The Group mitigates this risk by having an investment strategy which focuses on liquidity and capital preservation before investment returns.

In addition, the actuarial team carries out an asset liability matching exercise to ensure that the Group will meet its liquidity requirements. Finally the Group's asset allocation is defined to enable insurance liabilities to be paid from current assets.

The table below presents the cash flows receivable/payable by the Group and the Company. The amounts disclosed in the table are the contractual undiscounted cash flows. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented with their expected cash flows.

Group

31 December 2021	**0 - 30 days**	**31 - 90 days**	**91 - 180 days**	**181 - 365 days**	**Over 1 year**	**Total**
	=N='000	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets						
Cash and cash equivalents	5,676,086	8,538,447	1,030,584	1,894,537	-	17,139,654
Reinsurance receivables	1,780,782	5,606,056	6,046,828	5,968,917	11,930,843	31,333,426
Loans and other receivables	3,546	79,228	10,271	110,805	60,883	264,732
Other assets	126,353	54,363	76,354	64,352	67,581	389,003
Retrocession assets	973,356	1,586,700	1,343,835	2,138,310	10,004,732	16,046,933
Debt Securities at amortised cost	278,048	644,962	2,484,125	2,968,064	20,622,130	26,997,329
Debt Securities at available for sale	-	0	0	0	20,590	20,590
Total relevant financial assets	**8,838,171**	**16,509,755**	**10,991,997**	**13,144,986**	**42,706,758**	**43,064,852**
Financial liabilities						
Outstanding claims	713,707	424,877	727,947	570,317	1,760,390	4,197,236
Other liabilities	166,735	178,501	120,609	213,398	644,008	1,323,252
Total financial liabilities	**880,442**	**603,378**	**848,556**	**783,714**	**2,404,398**	**5,520,488**
31 December 2020						
Financial assets						
Cash and cash equivalents	7,228,246	9,955,620	792,547	1,038,702	0	19,015,115
Reinsurance receivables	1,817,124	5,839,641	6,107,907	6,559,250	4,175,820	24,499,743
Loans and other receivables	0	80,845	10,481	113,066	111,501	315,892
Other assets	92,033	102,736	225,824	144,531	193,625	758,749
Retrocession assets	993,221	1,619,081	1,371,260	2,181,949	3,347,605	9,513,117
Debt Securities at amortised cost	837,454	0	0	533,049	13,600,917	14,971,420
Debt Securities at available for sale	-	0	0	0		-
Total relevant financial assets	**10,968,078**	**17,597,923**	**8,508,019**	**10,570,547**	**21,429,469**	**24,484,537**
Financial liabilities						
Outstanding claims	654,777	389,795	667,841	523,226	1,615,036	3,850,675
Other liabilities	166,735	178,501	120,609	213,398	553,616	1,232,859
Total financial liabilities	**821,512**	**568,296**	**788,450**	**736,624**	**2,168,652**	**5,083,535**

Company	**0 - 30 days**	**31 - 90 days**	**91 - 180 days**	**181 - 365 days**	**Over 1 year**	**Total**
31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets						
Cash and cash equivalents	2,819,841	6,295,793	766,705	-	-	9,882,339
Reinsurance receivables	3,294,697	476,343	1,205,436	820,451	6,482,180	12,279,107
Loans and other receivables	-	43,532	7,645	63,453	60,695	175,325
Other assets	41,212	564,432	423,127	1,765,463	134,912	2,929,146
Retrocession assets	1,428,764	597,543	876,453	1,765,353	1,593,566	6,261,679
Debt Securities at amortised cost	100,288	419,202	1,828,260	550,410	12,749,994	15,648,154
Debt Securities at available for sale	-	-	-	-	-	-
Total relevant financial assets	**7,684,802**	**8,396,845**	**5,107,625**	**4,965,130**	**21,021,348**	**47,175,749**

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Financial liabilities						
Outstanding claims	103,000	122,098	679,635	50,000	1,865,289	2,820,022
Other liabilities	314,595	336,795	227,564	402,637	323,542	1,605,133
Total financial liabilities	**417,595**	**458,893**	**907,199**	**452,637**	**2,188,831**	**4,425,155**

The unpaid claims as at end of the year is due to incomplete documentation by the insured and cedants. By practice, all claims with complete documentation are paid within 72 hours

	0 - 30 days	31 - 90 days	91 - 180 days	181 - 365 days	Over 1 year	Total
31 December 2020						
Financial assets						
Cash and cash equivalents	4,561,101	6,800,348	76,415	36,147	-	11,474,010
Reinsurance receivables	480,661	493,907	1,239,945	328,971	7,453,318	9,996,802
Loans and other receivables	-	47,837	6,202	66,903	57,631	178,573
Other assets	44,448	636,653	454,813	1,802,704	293,463	3,232,081
Retrocession assets	30,224	432,924	609,273	1,525,839	1,525,533	4,123,793
Debt Securities at amortised cost	195,352	-	-	270,081	5,099,414	5,564,847
Debt Securities at available for sale	-	-	-	-	-	-
Total relevant financial assets	5,311,786	8,411,668	2,386,648	4,030,644	14,429,360	34,570,106
Financial liabilities						
Outstanding claims	398,525	237,246	406,477	318,458	982,980	2,343,686
Other liabilities	314,595	336,795	227,564	402,637	234,192	1,515,783
Total financial liabilities	**713,120**	**574,041**	**634,041**	**721,095**	**1,217,172**	**3,859,469**

43.3 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

	Carrying value	Fair value			
Group		**Level 1**	**Level 2**	**Level 3**	**Fair value**
31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets					
Cash and cash equivalents	16,239,808	-	16,239,808	-	16,239,808
Reinsurance receivables	31,333,426	-	-	31,333,426	31,333,426
Loans and other receivables	264,732	-	-	264,732	264,732
Retrocession assets	16,046,933	-	-	16,046,933	16,046,933
Other assets	196,548	-	-	196,548	196,548
Held to maturity					
Debt instruments	24,231,490	-	24,231,490	-	24,231,490
	88,312,937	-	40,471,298	47,841,639	88,312,937
Financial liabilities					
Reinsurance creditors	4,561,180	-	-	4,561,180	4,561,180
Other liabilities	1,323,252	-	-	1,323,252	1,323,252
	5,884,432	-	-	5,884,432	5,884,432

	Carrying value	Fair value			
Group		**Level 1**	**Level 2**	**Level 3**	**Fair value**
31 December 2020	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets					
Cash and cash equivalents	19,015,116	-	19,015,116	-	19,015,116
Reinsurance receivables	24,499,743	-	0	24,499,743	24,499,743
Loans and other receivables	315,892	-	0	315,892	315,892
Retrocession assets	9,513,117	-	0	9,513,117	9,513,117
Other assets	616,228	-	0	616,228	616,228
Held to maturity					
Debt instruments	13,744,039	-	13,744,039	-	13,744,039
	67,704,134	-	32,759,155	34,944,980	67,704,134
Financial liabilities					
Reinsurance creditors	4,218,493	-	-	4,218,493	4,218,493
Other liabilities	1,232,859	-	-	1,232,859	1,232,859
	5,451,352	-	-	5,451,352	5,451,352

Company	**Carrying value**	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Fair value**
31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets					
Cash and cash equivalents	9,466,791	-	9,466,791	-	9,466,791
Reinsurance receivables	12,279,107	-	-	12,279,107	12,279,107
Loans and other receivables	175,325	-	-	175,325	175,325
Retrocession assets	6,261,679	-	-	6,261,679	6,261,679
Other assets	2,851,227	-	-	2,851,227	2,851,227
Held to maturity					
Debt instruments	11,235,664		11,235,664	-	11,235,664
	42,269,793	-	20,702,455	21,567,338	42,269,793
Financial liabilities					
Reinsurance creditors	1,795,850	-	-	1,795,850	1,795,850
Other liabilities	1,605,133	-	-	1,605,133	1,605,133
	3,400,983	-	-	3,400,983	3,400,983

	Carrying value	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Fair value**
31 December 2020	**=N='000**	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets					
Cash and cash equivalents	11,474,010	-	11,474,010	-	11,474,010
Reinsurance receivables	9,996,802	-	-	9,996,802	9,996,802
Loans and other receivables	178,573	-	-	178,573	178,573
Retrocession assets	4,123,793	-	-	4,123,793	4,123,793
Other assets	3,136,778	-	-	3,136,778	3,136,778
Held to maturity					
Debt instruments	5,564,847		5,564,847	-	5,564,847
	34,474,803	-	17,038,857	17,435,946	34,474,803
Financial liabilities					
Reinsurance creditors	2,406,354	-	-	2,406,354	2,406,354
Other liabilities	1,515,783	-	-	1,515,783	1,515,783
	3,922,137	-	-	3,922,137	3,922,137

Note: Financial liabilities carrying amounts approximates their fair value

(b) Financial instruments measured at fair value
IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Financiual instrument in level 1:

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities,held to maturity or available for sale investment.

Financiual instrument in level 2:

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where itis available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial instruments in level 3:

The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include comparison with similar instruments for which market observable prices exist and other valuation models. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the deter- mination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows onthe financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction.

Determination of fair value of financial instruments.

Valuation techniques used to derive Level2 fair values

Level 2 fair values of investments have been generally derived using the Market approach.

Belowis a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.

Description	Fair value at 31 December 2021 N'000	Valuation Technique	Observable Inputs	Fair value if inputs increased by 5% N'000	Fair value if inputs decreased by 5% N'000	Relationship of unobservable inputs to
Investment in Aveni Reinsurance	331,874	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	348,468	315,281	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Uganda Reinsurance	137,377	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	144,246	130,508	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Africa Reinsurance	41,631	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	43,712	39,549	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Imperial homes	39,528	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	41,505	37,552	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Other investment	12,268	This are fully impaired asset	This are fully impaired asset	12,881	11,654	This are fully impaired asset

Level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Price per book value ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the llliquidity Discount which assumes a reduced earning on private entity in comparison to a publicly quoted entity and Non controlling Discount which assumes the equity is valued from the minority interest perspective.

Description	**Fair value at 31 December 2020 N'000**	**Valuation Technique**	**Observable Inputs**	**Fair value if inputs increased by 5% N'000**	**Fair value if inputs decreased by 5% N'000**	**Relationship of unobservable inputs to**
Investment in Aveni Reinsurance	387,247	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	406,610	367,885	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Uganda Reinsurance	115,529	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	121,306	109,753	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Africa Reinsurance	49,841	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	52,333	47,349	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Investment in Imperial homes	39,528	Adjusted fair value conparison approach	Median of P/B multiples of comprable companies	41,505	37,552	The higher the illiquidity ratio and the earnings per sharehaircut adjustment the higherthe fair value.
Other investment	12,268	This are fully impaired asset	This are fully impaired asset	12,881	11,654	This are fully impaired asset

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				-
Debt investments	20,590	-	-	20,590
Quoted equity investments	175,514	416,619	-	592,133
Unquoted equity investments		-	576,429	576,429
	196,104	416,619	576,429	1,189,153
31 December 2020				
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				-
Debt investments	35,783	-	-	35,783
Quoted equity investments	242,902	339,483	-	582,385
Unquoted equity investments		-	609,213	609,213
	278,685	339,483	609,213	1,227,381

Company	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2021	**=N='000**	**=N='000**	**=N='000**	**=N='000**
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				
Debt investments	-	-	-	-
Quoted equity investments	175,514	416,619	-	592,133
Unquoted equity investments		-	576,429	576,429
	175,514	416,619	576,429	1,168,563
Company				
31 December 2020				
Financial assets				
Financial assets designated at fair value	-	-	-	-
Available for sale investments				
Debt investments	-	-	-	-
Quoted equity investments	242,902	339,483	-	582,385
Unquoted equity investments		-	609,213	609,213
	242,902	339,483	609,213	1,191,598

Reconciliation of Level 3 items

The following table presents the changes in level 3 instruments for the year ended 31st December 2021

Equity securities - Available for sale	**Group 2021 =N='000**	**Group 2020 =N='000**	**Company 2021 =N='000**	**Company 2020 =N='000**
At 1, January	609,213	615,464	609,213	615,464
Total unrealised gains or (losses) in OCI	(32,784)	(6,251)	(32,784)	(6,251)
Reclassification to profit and loss	-	-	-	-
Addition				
At 31 December	**576,429**	**609,213**	**576,429**	**609,213**

Investment properties	**Group 2021 =N='000**	**Group 2020 =N='000**	**Company 2021 =N='000**	**Company 2020 =N='000**
At 1, January	4,998,799	3,123,121	2,146,000	3,123,121
Fair value gain/(loss)	127,392	394,146	11,600	27,200
Disposal	(331,400)	(260,500)	(331,400)	(2,733,021)
Addition	130,270	13,333	-	-
Transfer (to)/from owner-occupied property	-	1,728,700	-	1,728,700
At 31 December	**4,925,062**	**4,998,799**	**1,826,200**	**2,146,000**

Disclosure Requirements for Level3 Financial Instruments

Valuation Technique Unquoted Equity:

In accordance with IFRS 13 Fair Value Measurement, which outlines three approaches for valuing unquoted equity instruments; market
The Adjusted fair value comparison approach of P/Bv ratios was adopted in valuing each of these equity investments taken into cognizance the

Description of Valuation Methodology and inputs:

The fair value of the unquoted equity securities were derived using the Adjusted fair value comparison technique. Adjusted fair value comparison
The steps involved in estimating thefair value of the Group's investment in each of the investees (i.e. unquoted equity securities) are as follows:

Step1: Identify quoted companies with similar line of business ,structure and size
Step 2: Obtain the EV/EBITDA or the P/B or P/E ratios of these quoted companies identified from S&P, Bloomberg or Reuters
Step 3: Derive the average or median of the P/B ratios of these identified quoted companies
Step 4: Apply the lower of average (mean) or median of the identified quoted companies ratios on the Book Value of the investment company to get the value of the investment company
Step 5: Discount the derived value of the investment company by lliquidity discount and Non controlling discount to obtian the Adjusted Equity Value
Step6: Multipy the Adjusted Equity value by the present exchange rate for foreign currency investment
Step 7: Compare theAdjusted Equity value with the carrying value of the investment company to arrive at a net gain or loss

Other National Disclosures

Continental Reinsurance Plc

Statement of value added
For the year ended 31 December 2021

	Group 2021 =N='000	%	Group 2020 =N='000	%	Company 2021 =N='000	%	Company 2020 =N='000	%
Net premium income:								
- Local	19,421,253		17,372,800		19,421,253		17,372,800	
- Foreign	30,341,848		21,619,086		6,573,581		4,378,973	
Other income	3,569,681		2,681,991		1,441,032		2,500,287	
	53,332,782		41,673,878		27,435,866		24,252,060	
Claims, commission, charges and management expenses								
- local	(18,355,324)		(17,075,974)		(18,355,324)		(17,075,974)	
- imported	(25,488,811)		(17,439,360)		(6,272,548)		(4,502,379)	
Value Added	9,488,647	100%	7,158,544	100%	2,807,994	100%	2,673,706	100%
Applied as follows:								
To pay employees:								
- Salaries, pension and other allowances	2,464,378	26%	2,005,376	47%	1,042,757	37%	900,372	37%
To pay Government:								
- Income tax	1,194,223	13%	1,091,096	13%	99,611	4%	71,553	6%
- Information technology levy	14,891	0%	14,891	0%	14,891	1%	14,891	0%
Retained for growth:								
- Depreciation and amortistion	357,480	1%	326,153	1%	307,939	1%	221,254	1%
- Deferred taxation	8,850	0%	293,769	-3%	8,850	0%	293,769	-5%
- Profit for the year	5,448,826	57%	3,427,259	38%	1,333,946	48%	1,171,867	53%
	9,488,647	100%	7,158,544	100%	2,807,994	100%	2,673,706	100%

Value added is the wealth created by the efforts of the Company and subsidiary and its employees and its allocation between employees, shareholders, government and re-investment for the future creation of further wealth.

Continental Reinsurance Plc
Five-year financial summary-Group

Statement of financial position	<---31 DECEMBER				--->
	2021	2020	2019	2018	2017
	=N='000	=N='000	=N='000	=N='000	=N='000
Assets					
Cash and cash equivalents	16,239,808	19,015,116	14,151,673	14,610,220	9,079,093
Financial asset held for trading	-	-	-	2,853,024	2,159,476
Loans and other receivables	264,732	315,892	333,701	642,862	492,278
Available-for-sale investments	1,189,153	1,227,381	1,769,668	2,229,365	2,121,225
Held to maturity investments	24,231,490	13,744,039	9,998,905	6,820,073	7,613,317
Reinsurance receivables	31,333,426	24,499,743	17,143,071	11,950,636	9,922,255
Retrocession assets	16,046,933	9,513,117	8,698,039	6,494,583	2,759,666
Deferred acquisition costs	7,036,111	5,393,915	5,574,856	4,034,583	2,291,853
Other assets	389,003	758,749	405,855	151,555	329,433
Right of use Asset	156,903	134,645	133,220	-	-
Investment properties	4,925,062	4,998,800	3,123,121	3,073,003	2,857,111
Intangible assets	121,470	131,899	261,221	381,949	20,168
Property, plant and equipment	2,874,626	3,022,526	4,168,529	3,395,476	2,488,615
Investments in subsidiary	-	-	-	-	-
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**105,808,717**	**83,755,821**	**66,761,859**	**57,637,329**	**43,134,490**
Liabilities					
Insurance contract liabilities	54,569,505	38,842,258	30,554,284	23,256,657	17,965,990
Reinsurance creditors	4,561,180	4,218,493	3,778,222	2,191,916	1,356,210
Other liabilities	1,323,252	1,232,859	661,775	862,568	860,222
Lease liability	202,580	160,898	150,749	-	-
Retirement benefit obligation	542,746	670,301	404,290	203,124	306,457
Current income tax payable	1,317,178	800,776	1,014,789	1,656,899	1,550,357
Deferred tax liabilities	62,214	343,329	8,880	517,949	318,212
Total liabilities	**62,578,656**	**46,268,914**	**36,572,990**	**28,689,113**	**22,357,448**
Equity					
Share capital	6,258,602	6,258,602	5,186,372	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	3,915,451	3,915,451	3,915,451
Retained earnings	8,918,338	6,304,153	5,586,910	5,093,838	3,775,255
Contigency reserve	8,269,316	7,274,065	6,264,958	5,265,633	4,462,001
Available-for-sale reserve	335,718	284,473	403,438	441,041	329,978
Foreign currency translation reserve	2,576,824	2,245,274	1,832,347	4,291,530	1,764,220
Equity attributable equity holders of the parent	**34,563,168**	**30,570,940**	**23,189,475**	**24,193,865**	**19,433,277**
Non-controlling interest	8,666,893	6,915,968	6,999,394	4,754,351	1,343,765
Total equity	**43,230,061**	**37,486,907**	**30,188,869**	**28,948,216**	**20,777,042**
Total liabilities and equity	**105,808,718**	**83,755,821**	**66,761,859**	**57,637,329**	**43,134,491**

Income statement	<---	<---31 DECEMBER		--->	
For year ended	2021	2020	2019	2018	2017
	=N='000	=N='000	=N='000	=N='000	=N='000
Gross premium	70,385,076	53,636,916	47,663,124	34,185,991	29,673,215
Profit before income tax expense	6,666,790	4,827,015	2,395,626	4,359,355	3,570,285
Income tax expense	(1,217,964)	(1,399,756)	(499,569)	(1,037,242)	(1,099,994)
Profit for the year	5,448,826	3,427,259	1,896,057	3,322,113	2,470,291
Appropriations:					
Transfer to contingency reserve	995,251	1,009,106	999,325	803,632	458,530
Transfer to retained earnings	4,453,575	2,418,153	896,731	2,518,481	2,011,761
Earnings per share (kobo)	30	18	18	34	27
Net assets per share (kobo)	276	244	224	233	187

Note: Earnings and dividend per share were computed

Continental Reinsurance Plc
Five-year financial summary-Company

Statement of financial position	<---31 DECEMBER			--->	
	2021	2020	2019	2018	2017
	=N='000	=N='000	=N='000	=N='000	=N='000
Assets					
Cash and cash equivalents	9,466,791	11,474,010	6,023,919	6,027,224	6,680,113
Financial asset held for trading	-	-	-	-	-
Loans and other receivables	175,325	178,573	224,299	432,699	439,081
Available-for-sale investments	1,168,563	1,191,598	1,732,411	2,194,549	2,090,531
Held to maturity investments	11,235,664	5,564,847	3,951,711	4,294,419	6,065,330
Reinsurance receivables	12,279,107	9,996,802	7,934,560	6,098,604	6,184,435
Retrocession assets	6,261,679	4,123,793	4,191,959	2,880,398	1,877,676
Deferred acquisition costs	3,548,781	2,388,974	3,148,708	2,227,037	1,501,752
Other assets	2,929,146	3,232,081	2,086,215	1,968,320	756,126
Right of use Asset	230	5,820	10,774	-	-
Investment properties	1,826,200	2,146,000	3,123,121	3,073,003	2,857,111
Intangible assets	121,470	131,891	260,854	381,580	19,849
Property, plant and equipment	1,752,803	1,792,256	3,088,702	2,327,693	2,379,583
Investments in subsidiary	6,123,109	6,123,109	5,216,931	5,216,931	2,272,473
Statutory deposits	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	**57,888,869**	**49,349,755**	**41,994,164**	**38,122,457**	**34,124,060**
Liabilities					
Insurance contract liabilities	25,400,102	17,438,827	16,592,902	12,077,902	12,470,590
Reinsurance creditors	1,795,850	2,406,354	750,051	1,103,195	941,363
Other liabilities	1,605,133	1,515,783	2,978,877	3,611,173	1,249,986
Lease liability	22,771	13,367	16,831	-	-
Retirement benefit obligation	384,408	507,614	342,212	158,847	275,150
Current income tax payable	536,867	601,185	774,676	1,504,444	1,565,199
Deferred tax liabilities	287,149	313,458	133,743	400,311	218,855
Total liabilities	**30,032,279**	**22,796,588**	**21,589,292**	**18,855,872**	**16,721,143**
Equity					
Share capital	6,258,602	6,258,602	5,186,372	5,186,372	5,186,372
Share premium	8,204,371	8,204,371	3,915,451	3,915,451	3,915,451
Retained earnings	5,543,726	5,248,960	5,098,171	4,662,873	3,551,578
Contigency reserve	7,508,549	6,551,407	5,796,453	5,054,404	4,413,032
Available-for-sale reserve	341,340	289,828	408,424	447,486	336,484
Total equity	**27,856,587**	**26,553,167**	**20,404,872**	**19,266,585**	**17,402,917**
Total liabilities and equity	**57,888,866**	**49,349,755**	**41,994,164**	**38,122,457**	**34,124,060**

Income statement	<---	<---	<---31 DECEMBER ---		
For year ended	2021	2020	2019	2018	2017
	=N='000	=N='000	=N='000	=N='000	=N='000
Gross premium	34,925,988	27,725,559	28,008,904	19,195,853	20,384,093
Profit before income tax	1,457,298	1,552,080	1,534,723	3,912,856	4,427,541
Income tax expense	(123,352)	(380,213)	(40,338)	(770,479)	(1,170,231)
Profit after taxation	1,333,946	1,171,867	1,494,385	3,142,377	3,257,310
Appropriations:					
Transfer to contingency reserve	289,580	250,253	325,459	638,844	659,818
Transfer to retained earnings	1,044,366	921,614	1,168,926	2,503,533	2,597,492
Earnings per share (kobo)	11	9	14	30	31
Net assets per share (kobo)	223	212	197	186	168

Note: Earnings and dividend per share